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GLOBAL MECHANISM: COMPILATION OF REVISED OFFERS OF INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD) AND UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

Note by the Secretariat

1. In its decision 10/3, taken at the first part of its tenth session, the International Negotiating Committee for Desertification (INCD):

(a) approved the text in the annex to that decision, with the exception of section A.4, on the functions of the Global Mechanism and the criteria for selecting an institution to house it;

(b) decided to transmit the text in the annex to the first session of the Conference of the Parties;

(c) invited the International Fund for Agricultural Development (IFAD) and the United Nations Development Programme (UNDP) to submit to the interim secretariat, by 1 May 1997, revised versions of any new elements to their offers to house the Global Mechanism, as contained in document A/AC.241/33, including on the possibility of co-hosting and including the proposed administrative operations of such mechanism, taking full account of the annex, as well as proposed budgetary implications for the functioning of the global mechanism;

(d) requested the interim secretariat to compile the submissions from IFAD and UNDP in a document to be presented to the first session of the Conference of the Parties.

2. Appendix I to this document reproduces the text on the functions of the Global Mechanism and the criteria for selecting an institution to house it, as transmitted by the INCD. Appendices II and III contain respectively the revised offers of IFAD and UNDP.

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APPENDIX I

FUNCTIONS OF THE GLOBAL MECHANISM AND CRITERIA FOR SELECTING AN INSTITUTION TO HOUSE IT

A. Functions of the global mechanism

In order to increase the effectiveness and efficiency of existing financial mechanisms, a global mechanism is established to promote actions leading to the mobilization and channelling of substantial financial resources.

In accordance with the relevant provisions of the Convention, in particular articles 7, 20 and 21, and the financial provisions of relevant regional implementation annexes, the global mechanism shall function under the authority and guidance of the Conference of the Parties, including on policies, operational modalities and activities, and be accountable and make regular reports to it, according to the principles of transparency, neutrality and universality. The global mechanism, in carrying out its mandate under article 21, paragraph 4, should perform the following functions:

1. Collecting and disseminating information

(a) Identify potential sources of financing from bilateral donors, the United Nations system, multilateral financial institutions, regional and subregional financial mechanisms, and non-governmental organizations, foundations and other private sector entities, and establish relationships and maintain contacts with them.

(b) Establish and update an inventory of the financial needs of affected developing country Parties for carrying out action programmes, as well as other relevant activities related to the implementation of the Convention, on the basis of information provided under relevant articles of the Convention.

(c) Identify and draw up an inventory of relevant bilateral and multilateral cooperation programmes and available financial resources in the form of a comprehensive database, incorporating information both from Parties and from various financial mechanisms, comprising:

(i) Sources of available financing through bilateral and multilateral agencies, including their funding patterns and eligibility criteria, using reports to the Conference of the Parties by Parties and all other available data;

(ii) Sources of financing from non-governmental organizations, foundations, academic institutions and other private sector entities that might be encouraged to provide funding, including their funding patterns and eligibility criteria;

(iii) National funding in affected country Parties to finance actions designed to combat desertification and/or mitigate the effects of drought.

(d) Disseminate information collected in accordance with paragraphs (a), (b) and (c) to Parties on a regular basis and make it available, on request, to interested intergovernmental and non-governmental organizations.

2. Analyzing and advising on request

(a) Promote the matching of available resources to the projects and programmes of affected developing countries related to combating desertification, including assisting them to find new and additional resources for the implementation of the Convention.

(b) Analyze and provide advice on sources of financial assistance and on mechanisms to channel resources to the local, national and subregional levels, including through non-governmental organizations and private sector entities.

(c) Provide advice on the establishment, financing and management of national desertification funds.

(d) Identify, promote and provide advice about innovative methods and incentives for mobilizing and channelling resources.

3. Promoting actions leading to cooperation and coordination

(a) Disseminate information it collects so as to facilitate the assessment of, and exchange of information on, the effectiveness of financial assistance, including its accessibility, predictability, flexibility, quality and local-level orientation.

(b) Provide identified United Nations agencies, funds and programmes, and multilateral financial institutions, with information and stimulate coordination among them, including in multiple-source financing.

(c) Encourage, and facilitate coordination through the provision of information and other measures concerning relevant multiple-source financing approaches, mechanisms and arrangements, such as co-financing, parallel financing, consortia and joint programmes.

(d) Increase awareness of the Convention, and promote the participation in its implementation, of identified foundations, academic institutions, non-governmental organizations and other private sector entities and facilitate contacts with them by interested Parties, in order to contribute to the mobilization and channelling of substantial financial resources.

(e) Provide information, making use of the Conference of the Parties and other relevant existing forums, that will:

(i) Facilitate discussion of relevant issues in the governing bodies of multilateral financial institutions;

(ii) Inform Parties about the eligibility criteria and projects of international financial instruments and mechanisms, including particularly the Global Environment Facility (GEF), as they relate to implementation of the Convention;

(iii) Inform affected country Parties about each other's relevant activities;

(iv) Disseminate methodologies developed by Parties to identify and prioritize the financial needs of action programmes at all levels;

(v) Promote full use and continued improvement of the funding sources to be utilized for the implementation of the Convention referred to in relevant articles of the Convention.

(f) Identify and then provide information and advice on financing sources for the transfer, acquisition, adaptation and development of environmentally sound, economically viable and socially acceptable technologies relevant to combating desertification and/or mitigating the effects of drought.

(g) Promote partnership building as it relates to the support of the mobilization of financial resources for the implementation of the Convention at the local, national, subregional and regional levels.

(h) Facilitate the financing of information exchange on best practices utilized in combating desertification and/or mitigating the effects of drought at the local level in affected developing country Parties.

4. Mobilizing and channelling financial resources

(a) Promote actions leading to the mobilization and channelling of financial resources to all levels in accordance with the provisions of the Convention.

(b) Undertake actions and/or activities, in partnership particularly with developed country Parties, and relevant institutions, that shall, consistent with [article 21, para. 4] of the Convention, mobilize and maximize for the purpose of the Convention adequate and substantial financial resources, including, [as agreed in the Convention] [consistent with the Convention], new and additional resources, on a grant or, if necessary, concessional basis, to fund activities under action programmes of affected developing country Parties, particularly those in Africa, at all levels in conformity with the Convention and with the particular conditions of the regions of relevant regional implementation annexes.

(c) Promote the use of existing bilateral and multilateral financial mechanisms and arrangements that mobilize and channel substantial financial resources to affected developing country Parties in combating desertification and mitigating the effects of drought.

(d) Undertake actions and/or activities [leading to] [for] the mobilization of adequate, timely and predictable financial resources, including new and additional funding from the Global Environment Facility of the agreed incremental costs of those activities concerning desertification that relate to its four focal areas, in conformity with the relevant provisions of the instrument establishing the Global Environment Facility.

(e) Direct and guide the resources mobilized for the purpose of the Convention, including its own resources, made available from bilateral and multilateral sources, as appropriate, in a predictable and timely fashion to national, subregional and regional levels for the implementation of action programmes and projects to combat desertification and mitigate the effects of drought in affected developing country Parties, particularly those in Africa.

Or

(e) Guide and direct, as requested and as appropriate, the allocation of resources mobilized for the purpose of the Convention, including resources made available for the global mechanism for its activities by bilateral and multilateral sources through the host or other organizations in a predictable and timely fashion to local, national, subregional and regional levels for the implementation of action programmes and projects to combat desertification and mitigate the effects of drought in affected developing country Parties, particularly those in Africa.

(f) Encourage, in conjunction with the Conference of the Parties, the provision, through various mechanisms within the United Nations system and through multilateral financial institutions, of support at the national, subregional and regional levels to activities that enable developing country Parties to meet their obligations under the Convention.

(g) Increase the efficiency and effectiveness of existing financial mechanisms and collaborate with them to facilitate and catalyse the mobilization and channelling by them of adequate and substantial financial resources, including new and additional resources, for implementation of the Convention.

(h) Play, among other functions, a catalytic role, in ensuring the availability of resources for project and programme design and implementation from bilateral and multilateral sources.

(i) Promote and facilitate, through the actions in paragraphs (a) to (h):

(i) The transfer, acquisition, adaptation and development of environmentally sound, economically viable and socially acceptable technologies, knowledge, know-how and practices relevant to combating desertification and/or mitigating the effects of drought in affected developing countries, in conformity with the Convention.

(ii) The use of indigenous and traditional knowledge and technologies, as well as local expertise, at all levels in affected developing countries.

5. Reporting to the Conference of the Parties

(a) Provide reports to the sessions of the Conference of the Parties on its activities, including in those reports the following:

(i) The operations and activities of the global mechanism, including the effectiveness of its activities in promoting the mobilization and channelling of the substantial financial resources referred to in paragraph 4 (a) above to affected developing country Parties;

(ii) The assessment of future availability of funds for implementation of the Convention, as well as assessment and proposals for effective ways and means of providing such funds.

B. Criteria for selecting an institution to house the global mechanism

1. Functional capacity

(a) Relevance of the mandate, general objectives and activities of the institution to the overall objective of the global mechanism "to increase the effectiveness and efficiency of existing financial mechanisms", and to its mission "to promote actions leading to the mobilization and channelling of substantial financial resources, including for the transfer of technology, on a grant basis, and/or on concessional or other terms, to affected developing country Parties".

(b) Capacity of the institution to organize the global mechanism to perform its functions efficiently in order to assist the Conference of the Parties, as well as individual Parties and groups of Parties, particularly those in Africa, to meet Convention obligations regarding financing.

(c) Modalities by which the institution would perform the functions of the global mechanism, including necessary arrangements with other entities.

(d) Context which the institution offers for establishing effective relationships with other relevant entities, including its experience with, and knowledge of, operations of national, bilateral, regional and multilateral financial institutions, as well as non-governmental organizations and other private-sector entities.

(e) Knowledge of the institution regarding desertification and drought issues in all regions, and its experience working with government, local communities, non-governmental organizations and other entities in affected developing countries, particularly those in Africa, in dryland management, local-area development and other relevant fields.

(f) Experience and capacity of the institution in supporting research activities and in facilitating the transfer, acquisition, adaptation and development of environmentally sound, economically viable and socially acceptable technologies.

(g) Experience and capacity of the institution to assist affected developing countries Parties in dealing with poverty eradication and development issues, in conformity with the priority to Africa accorded in article 7 of the Convention.

(h) Exhibition by the institution in practice of the principles of transparency, neutrality and universality in its management and its operations.

2. Relationship to the Conference of the Parties

(a) Status of the global mechanism within the institution, including organizational and administrative arrangements to ensure accountability to the Conference and responsiveness to Conference guidelines.

(b) Modalities of global mechanism accountability to the Conference and reporting on global mechanism activities.

(c) Procedures for the Conference to enter into agreements with the institution regarding global mechanism functions and modalities, including the nature, form and timing.

3. Administrative and other support

(a) Administrative infrastructure available to support activities of the global mechanism, including location, office space, personnel, financial, communications, information management and field office frameworks.

(b) Modalities of staffing the global mechanism.

(c) Projected costs of operation of the global mechanism, the extent to which the institution would absorb them and the nature of charges to the Conference of the Parties for costs not absorbed, if any.

APPENDIX II

REVISED SUBMISSION OF
THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

The President

IFAD
INTERNATIONAL
FUND FOR
AGRICULTURAL
DEVELOPMENT

12 May 1997

Dear Mr. Diallo,

I refer to the decision at the tenth session of the Intergovernmental negotiating Committee for a Convention to Combat Desertification in January 1997 inviting IFAD and UNDP to make revised submissions concerning the Global Mechanism (GM).

My staff and I have given very serious consideration to this invitation. We have come to the conclusion that the GM, in order to be effective, should be hosted by an International Financial Institution, especially in light of recent INCD negotiations on the further elaboration of GM functions. We have also concluded that IFAD has the relevant capacity to host the Mechanism. It is thus with great pleasure that I attach IFAD's proposal for the consideration of the First Conference of the Parties in September 1997.

As requested in the same INCD decision, UNDP and IFAD are exploring the possibility of "joint-hosting" arrangements.

Yours sincerely,

Fawyi H. Al-Sultan

Mr. Hama Arba Diallo
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Interim Secretariat of the
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INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
(IFAD)

Updated proposal for Hosting the Global Mechanism of the Convention to Combat Desertification

Prepared for Submission to the Intergovernmental Negotiating Committee for a Convention to Combat Desertification

IFAD, Rome
April 1997

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ABBREVIATIONS AND ACRONYMS

CCD	United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa
CGIAR	Consultative Group on International Agricultural Research
COP	Conference of the Parties
DAC	Development Assistance Committee
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environment Facility
GM	Global Mechanism
GRO	Grass-roots organizations
IFAD	International Fund for Agricultural Development
IsDB	Islamic Development Bank
INCD	Intergovernmental Negotiating Committee for a Convention to Combat Desertification
LADP	Local Area Development Programme
OECD	Organization for Economic Cooperation and Development
OPEC	Organization of the Petroleum Exporting Countries
NAP	National Action Programme
NARS	National Agricultural Research Systems
NGOs	Non-Governmental Organizations
PEP	Public Expenditure Programmes
PIP	Public Investment Programmes
SRCF	Special Resources for CCD Finance
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USD	United States Dollar
WFP	World Food Programme
WHO	World Health Organization

IFAD PROPOSAL FOR HOSTING THE GLOBAL MECHANISM OF CCD

INTRODUCTION AND BACKGROUND

1. In May 1995, in response to an invitation from the Chairman of the *Intergovernmental Negotiating Committee for a Convention to Combat Desertification in Those Countries Experiencing Serious Drought and Desertification, Particularly in Africa (INCD)*, the International Fund for Agricultural Development (IFAD) submitted to the INCD a statement of interest and capacity to host the Global Mechanism (GM) of the *United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (CCD)*. The submission advocated an interpretation of the role and functions of the GM as a pro-active instrument for enhancing resources available for the Convention and for increasing the effectiveness and efficiency of existing financial mechanisms. The submission proposed that the GM be supported by a "hosting system" with an international financial institution, with relevant mandate, experience and capacity, at its core. Finally, the submission outlined the Fund's capacity to host the mechanism, and confirmed its interest in this regard, subject to the emergence of a shared vision of the GM as an effective vehicle for resource mobilization, as well as approval by IFAD's Executive Board.

2. The INCD at its Seventh Session in August 1995, considered IFAD's submission as well as those of the United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), the World Bank and the Global Environment Facility (GEF). It welcomed the positive submissions by IFAD and UNDP, and decided to further elaborate the functions of the GM and the criteria for selecting an institution to house it. It pursued further discussions on the role and functions of the GM at its Eighth, Ninth and Tenth Sessions, under the agenda item "Identification of an Organization to House the Global Mechanism", in order to provide a basis for the Conference of the Parties (COP) to select a host institution at its first session in September 1997. These negotiations have now further strengthened the resource mobilization orientation of the GM as advocated by IFAD. In view of this, it is now all the more evident that the GM should ideally be hosted by an international financial institution, and IFAD is ready and able to discharge this responsibility. IFAD has kept its Executive Board informed of progress made in INCD negotiations, through documents submitted in September 1995 and December 1996.

3. The purpose of the present submission is to respond to the January 1997 INCD 10 resolution A/AC.241/WG.I(X)/L.2. "Identification of an organization to house the Global Mechanism", which *inter alia*, "invites the International Fund for Agricultural Development (IFAD) and the United Nations Development Programme (UNDP) to submit to the interim secretariat, by 1 May 1997, revised versions of any new elements to their offers to house the Global Mechanism, as contained in document A/AC.241/33, including on the possibility of co-hosting and including the proposed administrative arrangements as well as proposed budgetary implications of the functioning of the Global Mechanism, taking full account of Annex I to this decision".

4. The submission, in the form of a main report and annexes, is structured as follows. Part One presents a proposal for the GM in Operation. Part Two presents a proposal for the Organization and Management of the GM. Part Three provides concluding remarks on IFAD's capacity and support for housing the GM. While the main text deals with the modalities by which IFAD will assist the GM in its operations, Annex 1 provides a response to those INCD "Criteria for the Selection of an Organization to House the Global Mechanism" not fully dealt with in the main text. Annex 2 provides indicative estimates of the administrative and operating budget of the Global Mechanism for 1998 and 1999.

PART ONE: THE GM IN OPERATION

I. THE MANDATE AND FUNCTIONS OF THE GLOBAL MECHANISM

5. Article 21 of the Convention, entitled "Financial Mechanisms" specifies the mandate of the GM in paragraph 4: "In order to increase the effectiveness and efficiency of existing financial mechanisms, a Global Mechanism to promote actions leading to the mobilization and channelling of substantial financial resources, including for the transfer of technology, on a grant basis, and/or on concessional or other terms, to affected developing country Parties, is hereby established...". *The mission of the Global Mechanism is thus to increase the flow of resources for CCD implementation, while enhancing the effectiveness and efficiency of existing financial mechanisms.*

6. On the basis of Article 21 and other relevant financial articles of the Convention, including Article 20 entitled "Financial Resources", the functions of the GM were further elaborated by the INCD. The text negotiated by the INCD describes five functions, entailing 26 tasks, to be performed by the GM in pursuit of its mission:

- collecting and disseminating information;
- analyzing and advising on request;
- promoting actions leading to cooperation and coordination;
- mobilizing and channelling resources; and
- reporting to the COP.

7. At the time of writing this submission, text remains to be negotiated on the function entitled "Mobilizing and Channelling Financial Resources", particularly its subparagraph (e). Whatever the differences in the two alternative texts under consideration, both versions of subparagraph (e) imply the following: (i) that the Global Mechanism would have a major role in directing and guiding resources mobilized for the purpose of the Convention; and (ii) that the Global Mechanism would have resources available to it, either directly or through its host or other organizations.

8. The CCD has a multi-source, multi-channel orientation to finance, rather than being predicated on one single financial mechanism. It is thus clear that the GM can only operate effectively if it is firmly based on partnership not only with its host, but also with the full range of actors involved in resource mobilization and utilization for CCD implementation. As such, the GM can be characterized in terms of the following:

- a <u>process</u> of mobilizing and channelling resources for implementation of the CCD;
- a <u>network</u> of partners involved in this process;
- a <u>catalyst</u> in facilitating the resource mobilization and channelling process, in promoting the development of the network, and in enhancing the cooperation and coordination among the partners; and
- a <u>service</u> to Parties (and the COP) providing them with information, analyses and advice on request, acting as an honest broker among them promoting partnerships and new endeavours, identifying gaps and opportunities, reporting progress to the COP and seeking its guidance and direction.

II. BASIC PRINCIPLES

9. In order to serve Parties effectively in meeting the Convention's financial provisions, the GM should be:

- exclusively oriented towards issues of finance (including for the transfer of technology);
- demand-driven but also pro-actively responsive to the needs and priorities of Parties;
- non-duplicative of existing mechanisms and facilities, but adding value to these;
- non-monopolistic, and geared towards promoting multi-source, multi-channel financing;
- highly flexible in operations, responding to emerging opportunities; and
- lean and efficient, drawing on other institutions, including its host, to the extent possible.

III. PROGRAMMATIC THRUSTS

10. Article 21.7 of the Convention implies a two-year initial phase for the GM. The GM policies, operational modalities and activities shall be reviewed by COP 3 in relation to its mandate (Article 21.4) and taking into account provisions of Article 7 (priority to Africa). The initial period can be interpreted as a "preliminary development and testing phase", during which the GM must seek to develop its operational strategy, modus operandi and instruments. In particular, it must identify its specific value added contributions to the financial dimension of ongoing and future efforts to combat desertification/drought. In essence, the GM must follow a "learning by doing" approach, given that no model exists for such a mechanism and in view of the inherently innovative nature of its role. Furthermore, its role will need to evolve over time to reflect changing circumstances in resource mobilization and channelling opportunities.

11. During the Preliminary Development and Testing Phase, the 26 tasks foreseen by the INCD for the GM should be organized and performed to maximize effective use of its limited capacity and the institutional support provided by its host institution. As a top priority, the GM should prepare its own operational strategy for consideration and guidance by the COP. IFAD would assist and advise the GM for the preparation of this strategy. Bearing in mind the participatory and the multisource process advocated for mobilizing and channelling of resources, the strategy should be prepared through adequate consultation with relevant stakeholders. The operational strategy should be ready during the first year of GM operations, to enable the COP to decide at the earliest stage of GM establishment on the most effective configuration of its functions and tasks, including how best to organize its staff and the processes involved. Pending articulation of such a strategy, it is proposed that the various tasks of the GM would be grouped under two programme areas, as follows:

- Programme Area A: Mobilizing and Channelling Financial Resources

  (i) Marketing and Promoting Finance for the CCD;

  (ii) Catalysing Multi-source/Multi-channel Financing; and

  (iii) Direct Grant Financing for Enabling Activities.

. Programme Area B: Knowledge, Information and Advisory Services on Finance

(i) Collecting and Disseminating Information;

(ii) Analyzing and Advising; and

(iii) Reporting to the COP.

A. Programme Area A: Mobilizing and Channelling Financial Resources

12. The activities under this programme area are primarily, but not exclusively, related to those specified under section 4 of the INCD negotiating text on functions of the GM. In performing the tasks involved, the negotiated text envisages the GM as a **promoter, facilitator, catalyst, or directly undertaking actions.** This gives the GM a flexibility that would permit it to respond to the evolving circumstances in a proactive way. The GM will be able to choose various options and instrumentalities in accordance with identified needs and opportunities. Noting that the GM should strive towards identifying and promoting innovative sources and mechanisms for CCD finance, the following modalities are presently envisaged for the GM, to be applied in conjunction with IFAD as appropriate.

(i) Marketing and Promoting Finance for the CCD

13. ***Marketing and promoting.*** *Objective: Aim at generating new and additional financial resources for implementing the Convention* by: (a) stimulating more generous funding of the Convention under existing facilities; (b) promoting the creation of new facilities, customized to the Convention's needs, within existing financial institutions; (c) matching financial needs to availabilities in cases where affected developing countries, and consultative processes supporting them, are unable to do so; and (d) promoting new sources of financing not currently involved in combating desertification, including those in the private sector. Such marketing should not be confused with general activities aimed at public awareness of the CCD, which will largely be the province of the Permanent Secretariat.

14. The universe of actual and potential financial sources is very wide. It consists of organizations that already provide substantial financial resources for dryland development, such as bilateral donors, IFIs, relevant UN agencies, NGOs, etc. The GM can play a role in ensuring that the funding potential of these sources is fully realized in the area of land degradation; this will include optimizing the potential of the Global Environment Facility in this regard. It will be more of a challenge to identify and work with potential financial sources that are not already active in the desertification arena. These will be mostly in the private sector, including foundations and businesses in developed and developing countries. Due to its small size, the GM will not have the capacity to do much "mass marketing"; rather it should target its activities to institutions that show promise.

15. The GM should also emphasize the critical role of domestic resources both at national and local levels (Article 20.3 of CCD). In this context, it will have a special audience in affected countries, who are often neglected by usual awareness campaigns for CCD, i.e., the "universe of country-level finance" which includes Ministries of Finance and Planning, as well as rural financial intermediaries. The GM can pursue this objective through promoting and advising the adoption of specific policies and approaches by the COP; and participating and interacting with Consultative Groups of the World Bank to promote the inclusion of NAP-related investment programmes in Public Investment Programmes (PIP) and Public Expenditure Programmes (PEP) of affected countries. By the same token, marketing activities of GM should also encourage the Consultative Group on International Agricultural Research (CGIAR) and National Agricultural Research Systems (NARS) to help achieve GM objectives related to financing the development and transfer of technology.

16. Despite resource limitations, the Global Mechanism should be able to employ a broad range of marketing tools. Development and continuation of personal contacts should be the backbone of marketing activities, but contacts would need to be supplemented by: (a) seminars, conferences and training programmes on Convention financing and innovative approaches for finance; (b) contribution to meetings of the governing bodies of relevant institutions in order to influence their policy direction and pattern of resource allocation in favour of the CCD; (c) targeted dialogue with regional, subregional, OECD, and high level meetings; (d) close interaction and collaboration with NGOs for CCD marketing; (e) basic public relations materials aimed at the whole universe of relevant financial sources, including publications, brochures, videos and a world-wide-web site; and (f) public relations materials customized to targeted institutions or specific countries. IFAD, through its operational linkages with all multilateral and regional financing institutions, as well as bilateral sources and NGOs, will assist the GM in this area. In addition, the Fund's Economic Policy and Resource Strategy Department will enhance relevant activities it has already initiated in support of the Convention.

(ii) Catalysing Multi-Source, Multi-Channel Financing

17. ***Catalytic financing***. *Objective: Initiate and participate with IFAD in a process of multi-source, multi-channel financing in the form of cofinancing (joint or parallel, as appropriate) of projects, programmes and investment packages related to NAPs.* IFAD will earmark USD 100 million of its overall annual financial assistance to drylands of USD 250-300 million, as well as institutional capacity, for investment in NAPs and their associated projects in conjunction with other donors. It is expected that this amount of USD 100 million would leverage between USD 100 to 150 million of resources from other sources of finance. In this process, the GM would indicate the priorities in terms of country, subsectoral coverage or type of project, drawing on the inventory of financing needs (see below), to the Programme Management Department of IFAD, which, in turn, would follow up the project cycle in close consultation with the GM. The Department would be responsible for ensuring the quality of those projects and programmes that would be financed by IFAD and potential cofinanciers. Naturally, the GM will assume an active role in participating with IFAD in mobilizing cofinancing resources to supplement resources allocated by IFAD. The projects in question would be appraised by IFAD for consideration by IFAD's Executive Board.

18. Since the impact of marketing activities will be felt mainly over a long term period, the proactive role of the GM in this area will help reduce the risk of uncertainty in financing for CCD, in particular during the initial period of GM operations. In this context, two particular aspects of IFAD's capacity are important: (a) its ability to participate substantively in terms of amount of financing and experience in investment programmes; and (b) its close familiarity with the operations of international financing institutions and bilaterals. IFAD would assist the GM in formulating and promoting guidelines for the coordination of the project\programme approval, and the associated disbursement modalities.

19. ***Multi-source/multi-channel consortia***. *Objective: Encourage, facilitate or assist multi-source and multi-channel finance in response to NAP requirements or projects and programmes within NAPs.* This process may or may not involve financial participation by IFAD. The GM would undertake the task of organizing the consortia upon request and undertake facilitating tasks during the critical stages of the process. While the experience of international financing institutions demonstrates the effectiveness of this approach in resource mobilization, consortia are associated with certain problems and constraints that affect their efficiency and tax the capacity of the recipient country in coordinating the policies and modus operandi of cofinanciers. Often these problems concern coordination of disbursements, procurement, and programming cycles of the partners involved. Even the very short experience of donors groups for NAPs indicates the potential problems. The GM, benefitting from the experience of IFAD and its network of cooperating institutions, including the World Bank, regional and subregional development banks, the OPEC Fund, the Islamic Development Bank (IsDB), should provide advice and assistance in organizing the process of decision-making and disbursement by the participating

donors. Such services from the GM would be demand-driven and in response to requests from affected countries or groups of donors.

(iii) Direct Grant Financing for Enabling Activities

20. In addition to the resources earmarked by IFAD, as indicated above, the GM should have access to specific resources allocated by donors. Such resources would be administered by IFAD in an account titled "Special Resources for CCD Finance (SRCF)". However, the proceeds will be utilized as directed by the management of the GM. The review and scrutiny of proposals will be done through a Technical Advisory Group chaired by the Managing Director of the GM (see Organization and Management, below). IFAD would provide a grant of USD 10 million as part of the initial capitalization of the SRCF. It is expected that this amount would be matched on a reasonable basis by interested donors.

21. ***Financing programme formulation and pipeline development***. *Objective: Assist the development by affected countries of a pipeline of projects and programmes responding to NAPs.* The SRCF will be used for: (i) financing assistance to governments and regional/subregional bodies in the national, subregional and regional action programming; (ii) financing assistance for the preparation of local area development programmes (LADPs) that respond to National Action Programmes, bearing in mind also the dual track approach for LADPs and NAPs that some countries might envisage; and (iii) catalytic financing for National Desertification Funds, designed within the context of National Action Programmes.

22. ***Finance for civil society***. *Objective: Ensure availability of finance for a major group of stakeholders that are not Parties to the Convention.* The importance of civil society organizations in general and NGOs in particular in the implementation of the Convention has been clearly emphasized in the text of the Convention. It is expected that the Parties will respond positively to this need. Nevertheless, GM should monitor this and ensure the adequacy of flow of resources through NGOs. The GM would play a catalytic role towards meeting this objective by using financial resources available to it. The activities to be financed in this manner would range from awareness-building to grass-roots initiatives, particularly those linked to resource mobilization. This would be complemented by IFAD through an allocation of 30% of its NGO Extended Cooperation Programme, presently estimated at USD 2 million, for NGO/GRO pilot activities in support of the CCD.

23. ***Financing technology cooperation***. *Objective: Ensure availability of finance for the transfer of technology and the use of indigenous and traditional knowledge and technologies at all levels in affected developing countries.* The GM would play a catalytic role in seeking to ensure the following: (i) funding is secured for exchange of information on technology, including indigenous technology; and (ii) funding is available to assist developing countries in undertaking the inventories of indigenous technologies referred to in Article 18 of the CCD. Through IFAD it would seek to ensure that appropriate attention is given dryland research within the CGIAR/NARS complex. Notwithstanding the need for catalytic financing, it should be noted that the GM would pursue the technology aspects of its role through all of its functions.

24. ***National desertification funds***. *Objective: Act as a catalyst for the establishment of National Desertification Funds (NDFs).* NDFs, as foreseen in the CCD, and similar mechanisms such as village development funds, will play an important supporting role in grass-roots activities and participatory decision-making. Domestic resource mobilization should contribute, along with external contributions, to the establishment and capitalization of NDFs. The GM would emphasize this process in all its functions, including through the provision of advice and through its marketing activities, but it would also play a catalytic role in contributing financially to the establishment of the NDFs.

B. Programme Area B: Information, Knowledge and Advisory Services on Finance

25. Programme Area B is intended to support and reinforce the "strategic intent" of GM, namely to promote actions leading to mobilization and channelling of financial resources and the increased effectiveness of existing financial mechanisms. The activities concerned are primarily, but not exclusively, those specified under sections 1, 2 and 3 of the INCD negotiating text. The programme area would be geared towards "knowledge" rather than simple information. The GM would transform, for example, information on a source of finance into knowledge on its relevance and utility for CCD implementation. The same principle would apply to information regarding financial needs, which would need to be translated into knowledge on effective resource utilization. The challenge would therefore lie in this process of transformation, which would lead to knowledge and facilitate advice. To carry out such transformation, the GM can rely on existing infrastructure, institutional capacity and hardware, but it should develop the relevant software and analytical tools. During the first year of operations, IFAD would assist the GM in preparing a strategic plan to achieve this objective. At this stage, the following may serve as a guideline for the preparation of such a plan, which would be undertaken in close consultation with relevant partners.

(i) Collection and Dissemination of Information

26. The GM will not operate in a vacuum but among many already operating mechanisms. It is therefore essential that it collect and disseminate information on requirements for and sources of financing, on financial flows, their patterns and gaps. Here also, the value added by the GM would have to be critically scrutinized. There are already a number of mechanisms collecting and disseminating information in the *broad* field of international cooperation for development and environment protection. Each multilateral and bilateral institution involved in technical assistance and investment keeps records of the projects and programmes prepared and financed using a computerized data system. In view of the inadequacy and unreliability of existing resource data, even in areas where it is currently gathered, and given the GM's limited capacity, it would be misguided to build a major pillar of the GM on such premises, and to devote significant resources to this, without carefully demarcating areas of potential value added. Consequently, the GM should commence the process of establishing and promoting a highly specialized network of information and knowledge. The inventory of financial needs and the data base of financial sources would have the following characteristics in order to ensure their effective use: (i) available to participants in the CCD consultative processes; (ii) disseminated through various channels, including the Internet; (iii) packaged to meet the needs of customers; and (iv) frequently updated.

27. ***Inventory of financial requirements***. *Objective: maintain and disseminate an inventory of financial requirements of CCD action programmes.* There is no standard approach for reporting financial needs among affected countries and subregional/regional organizations. As a first step, the GM would work closely with national, subregional and regional consultative processes to ensure that all CCD action programming efforts define financial needs in clear and coherent categories, and with requisite detail. Once the decentralized system of reporting financial needs is established, according to guidelines provided by the GM, it will be relatively simple for the GM to maintain the aggregate inventory and provide information on financing needs under the CCD. Through its advisory function, the GM would also assist in defining financing needs of affected countries, subregional and regional bodies, as appropriate and as requested.

28. ***Database on financial sources.*** *Objective: maintain and disseminate a database of financial sources in order to increase the level and effectiveness of financing for CCD implementation.* The INCD negotiating text suggests that the database on financial sources should include information on funding patterns, eligibility criteria, quality variables and local-level orientation. Again, there is currently no standardized format in which financial sources report and classify their flows, and this is particularly the case for CCD related activities. The GM would pursue two elements in this regard: (i) information on current and future aggregate flows will be collected from recipients and sources; and (ii) information on potential sources of finance, and how to access these, will be packaged for easy use by customers. It is likely that the latter will have the higher payoff in practical terms (ie., accessing sources of finance), although it is recognized that the former is nevertheless an important tool for CCD implementation and will assist in the GM's task of assessing future availability of funds for Convention implementation. In this regard, it should be clear that it will be difficult to obtain complete and rigorous coverage, at least in the early years of GM operation.

(ii) Analyzing and Advising

29. *Objective: respond to demands for analysis and advice on (i) financing of specific projects and programmes; and (ii) on financing prospects and approaches for CCD implementation.* It would be wrong to pre-judge the nature and the modalities of the demands on the GM for the provision of analytical and advisory services regarding the financing of specific programmes and projects. The GM may also provide/organize analysis and advice on prospects and approaches for harnessing resources in general.

30. ***Analyzing and advising on specific programme and project finance.*** This task will be highly focused and discharged in a decentralized manner. The GM would identify in a preliminary way the "matching possibilities between the demands and the sources of funding" and then let the potential partners themselves further analyze their possibilities of cooperation. The GM should identify the potential partners and the sources of expertise required in both the technical and financial aspects of the programmes and projects. It should also be able to suggest financial solutions tailored to specific needs, including multi-source/multi-channel arrangements. The packaging of advice would naturally draw on the inventory of financial needs, data base on financial sources and knowledge generated through the marketing activities.

31. ***Analyzing and advising on financing prospects and approaches.*** The GM may have a more active role to play in advising on "the establishment, financing and management of national desertification funds" and on "innovative methods and incentives for mobilizing and channelling resources." The GM will have to develop its own expertise and experience gradually in these areas, as these are not readily available in the existing multilateral, bilateral or other institutions; they will have to be tailored to the specific purposes of the CCD. The services of the GM in this respect could prove to be very valuable as they would be unique and would play a strategic role both at country level and among the external sources of funding. In view of the importance which National Desertification Funds may have and the need to find ways and means of tapping new and additional resources for the implementation of the CCD, this particular GM function could have a critical influence in mobilizing and channelling resources for the implementation of the Convention. In addition to specific advice on the establishment of NDFs and other facilities, analysis and advice would be provided in a number of areas, including: (i) domestic resource mobilization; (ii) private-sector financing; (iii) charitable financing; and (iv) debt management, including "debt swaps" where applicable. An area of particular importance would be the rural financial sector, including mobilization and recycling of savings.

(iii) Reporting to the COP

32. *Objective: respond to reporting requirements of the COP, including the activities and effectiveness of GM and the assessment of future availability of finance for CCD implementation and proposals for effective ways and means of providing such funds.* Although this function is listed last among the functions of the GM, it assumes a critical importance, as it should enable the COP to assess progress in the mobilization of funds for the CCD and in the related functions of the GM. It should not be dismissed as a bureaucratic function, but rather seen as a necessary part of the GM's resource mobilization mission. It should serve as a basis for the COP members individually and collectively to take corrective actions if any, to make policy recommendations to governments, regarding the funding of their programmes, and to IFIs and other donors as well as to NGOs concerned. The report of the GM to the COP may contain data on the financial flows, their patterns, balance and gaps, on the demands not satisfied and on the under-utilized sources of funding. It should also contain information on the activities of the GM, its staff and the use of its resources as well as on those of IFAD. The GM report to the COP should also contain proposals for the future activities of the GM in the form of a Programme of Work and Budget with an indication of the proposed sources of funding for approval by the COP. On the basis of this report, the governments individually and the COP would take actions related to the future work of the GM. In particular, the GM would receive guidance, direction and priorities from the COP. As appropriate, this reporting function would be adjusted so as not to duplicate the reporting and other documentation prepared by the Permanent Secretariat.

C. Promoting Actions Leading to Cooperation and Coordination

33. Under the heading of Section 3 of the INCD negotiating text, "Promoting Actions Leading to the Cooperation and Coordination", a series of tasks are listed. Most of these tasks are related to the dissemination of information among all the potential actors in the CCD on their respective capacities and opportunities to work more efficiently together in mobilizing and channelling financial resources for the CCD. In addition, the GM may play an important advocacy role in the governing bodies of IFIs and other institutions in this regard. In fact, the GM functions as outlined in programme areas A and B should contribute to improved cooperation and coordination.

34. It is important to note that the GM is requested to "provide information", "stimulate coordination" and "facilitate" cooperation, but is not entrusted with active coordination functions. At national level, the responsibility of coordinating the sources of financing (both internal and external) rests with the government. As far as the UN system is concerned, the government may be assisted in its coordinating task by the UN Resident Coordinator but the coordination of multilateral and bilateral sources can be ensured only by the government. In some cases, the government may decide to turn to one specific financing institution to facilitate the cooperation of several sources of financing, and these financing institutions may agree to one of them taking the lead in assisting the government in this regard. This role may be played upon request by the GM and IFAD or by the GM together with another financing agency or the GM may merely participate as one actor among others in a consultative group.

35. At the regional and global levels, the existing coordination and cooperation mechanisms are many and varied. Unless there is a recognized gap in a specific area, the GM should promote these existing mechanisms rather than embarking on new coordination and cooperation initiatives. With the support of the COP and its Permanent Secretariat, an item on the financing of the CCD may be put regularly on the agenda of these coordination mechanisms, and the GM could provide the necessary background information and ensure follow-up action.

PART TWO: ORGANIZATION AND MANAGEMENT

I. GM STATUS WITHIN IFAD AND PARTNERSHIP ARRANGEMENTS

36. ***GM status within IFAD.*** The functions of the GM as presented in Article 21.4 and 21.5 and in the INCD list of tasks for GM as well as its criteria for selection of the housing institution, all imply that the institution selected should do far more than physically housing the GM. In fact, a careful reading of Article 21.5 indicates that the supporting functions listed in this paragraph are implicitly to be shared or to be carried out cooperatively by the GM and its host. Indeed, the first group of selection criteria listed by the INCD relate to the "functional capacity" of the institution to work *with* the GM or even *for it* and on *its behalf* (e.g., in subparagraphs (b) and (c) of Section B, paragraph 1 of the INCD negotiating text).

37. The GM relationship with IFAD would be a symbiotic one. On the one hand, as argued above, the GM would rely on IFAD for support. On the other hand, the host must ensure that housing the GM is compatible with its mandate and brings synergistic effects through its own operations and those of the GM. Thus, while the GM would have a separate identity and would be accountable to the COP, it would nevertheless be an organic part of the structure of IFAD. The GM should have sufficient authority and weight to influence the partners, take initiatives and ensure that the resources that were mobilized and committed by virtue of its "good offices" are actually delivered. To this end, the GM and its staff would have a status and a position within IFAD commensurate with their expected roles.

38. It would be in the interest of both the COP and IFAD that the GM resources be handled following the administrative and financial procedures of the host, as well as its quality control mechanisms. This will facilitate management, reporting and auditing. This would also enable the GM to make use of the accounting and staff management machinery of its host, thus limiting and simplifying the administrative support requirements of the GM. Consequently, these principles would be reflected in the hosting arrangements to be agreed upon with the COP.

39. ***Partnership arrangements with other institutions.*** There are also a large number of actors and stakeholders beyond the GM and IFAD, all actually or potentially concerned with the issue of financing the implementation of the CCD. The GM, through IFAD, would enter into agreement with other institutions as appropriate. To the extent applicable, the GM could follow the procedures of its host in entering into agreements with other institutions. Among the arrangements that would be envisaged:

- Arrangements would be concluded with the United Nations Development Programme (UNDP) for accessing the institutional capacity of this agency for data collection and dissemination according to the strategic plan discussed in Section II.B. Obviously, UNDP will be a major partner in the process of consultation for the preparation of this plan. As mentioned before, the Office of Resident Coordinator, representing IFAD in the field, can provide a number of supporting services as well.

- An agreement will be concluded soon with the Food and Agriculture Organization of the United Nations (FAO), which would provide the GM, through IFAD, with access to the Investment Centre and technical services. FAO has already announced that it would make its field services available to IFAD for the purposes of the GM.

- An agreement will be concluded soon with UNEP in relation to CCD marketing activities.

- Agreement between IFAD and the World Food Programme (WFP) would also cover resource mobilization for CCD activities where food aid and resources of the WFP would be required.

- Existing agreements between IFAD and all the multilateral financial institutions, would be amended to allow access of the GM to the consultation and cooperation process involved.

II. MANAGEMENT, STAFFING AND BUDGET

40. ***Relationship to COP***. The Global Mechanism will function under the authority and guidance of the COP and be accountable to it. The COP would provide guidance on the GM's Operational Strategy, and would review and approve the annual programme of work and budget. It would also provide other policy and operational guidance as appropriate. The chain of accountability will run directly from the COP to the President of IFAD to the Managing Director of the Global Mechanism. Organizationally, it would be best not to have layers within the host institution in this circuit. The Managing Director of the Global Mechanism should, however, be a figure in his or her own right with standing in the international community. The Managing Director could, therefore, report directly to the COP on behalf of the President of IFAD.

41. ***Management***. The Managing Director would be appointed by the President of IFAD, in consultation with the Bureau of the COP. The Managing Director would be responsible for the Programme of Work and Budget of the GM, which would be reviewed and approved by the President of IFAD before submission to the COP. The head of Programme Area A would act as deputy to the Managing Director.

42. A *High-Level Advisory Panel on Finance and Policy*, would be established to provide advice to the Managing Director on strategic resource mobilization issues. It would be chaired by the President of IFAD, and would have the following composition: Chairman of the COP and representatives from 3-4 member States to be designated by the COP; the Executive Secretary of the Permanent Secretariat; Chairman of the Committee on Science and Technology; an Assistant President of IFAD; two NGO representatives; a representative of a leading private foundation; representatives from UNDP, FAO, and one major multilateral financial institution.

43. A *Technical Advisory Group*, chaired by the Managing Director, would assist in the technical and financial review of the various proposals for SRCF financing as required. It would consist of the following persons: one project economist/financial analyst (IFAD); one rural financial services specialist (IFAD); one environment and natural resource management specialist (IFAD); one gender and household food Security Expert (IFAD); two GM staff members (Programme A and B); and one staff member of the FAO Investment Centre.

44. ***Staffing***. In addition to a Management Section, comprising the Managing Director and one administrative assistant, the GM staff would consist of three teams, one for each programme area and one for administration and finance. As appropriate, staff would be regrouped for task-oriented assignments of short duration.

Management Section

- Managing Director, D-2 (or as appropriate).
- Secretary and Administrative Assistant, G-7.

Programme Area A

- Team Leader of Programme A and Lead Resource Strategist, P-5. In addition to leading the Programme A team, he/she would be responsible for relations with multilateral organizations.
- Resource Strategist (Bilateral), P-4. The staff member would be in charge of relations with bilateral donors.

- Resource Strategist (Private Sector, NGOs), P-4. The staff member would be responsible for relations with the private sector and NGOs.

- Associate Resource Strategist, P-2.

- Secretary, G-3.

Programme Area B

- Team Leader Programme B and Resource Analyst, P-5. In addition to leading the Programme B team, he/she would be responsible for analysis of financial flows.

- Information Network Coordinator, P-4. The staff member would be responsible for establishing the inventory and data base on financial sources and needs.

- Associate Resource Analyst, P-2.

- Administrative Assistant Database, G-6.

- Secretary, G-2.

Administration and Finance

- Administration and Finance Officer, P-4.

- Secretary and Administrative Assistant, G-5.

45. ***Administrative and operating budget***. The INCD 10 Resolution on "Identification of an Organization to House the Global Mechanism" requests an estimation of the budgetary implications of the Global Mechanism. Annex 2 provides an estimate of the cost of the GM in terms of staffing, office accommodation and operating budget, separately for 1998 and 1999. The totals are provided in Table 1 below. Revised estimates for 1999 would be presented for approval by the second session of the COP in 1998.

Table 1: GM Budget in USD

Category	**1998**	**1999**
Staff	1 744 000	1 344 000
Office	78 324	78 324
Equipment and Furniture	113 269	0
Operating Budget	1 039 200	1 039 200
Contingencies (10%)	300 119	248 792
Total	3 301 312	2 736 716

46. It is understood that the administrative and operating budget of the GM would be financed by the Parties to the CCD, and this would be reflected in the hosting arrangement to be agreed upon with the COP. It should be noted, however, that accommodation costs need to be examined under the Headquarters Agreement of IFAD to establish the precise amount that might be covered by the host government under this agreement. The hosting arrangement would become effective when an amount equal to the administrative and operating budget for the first year is secured.

47. ***Global Mechanism Special Account***. The COP is expected to cover the costs of the GM's administrative and operating budget related to its normal activities. Under certain circumstances the GM may require additional resources for the purpose of its operations beyond what is included in its budget. For example, the GM may undertake a joint exercise with another entity through a cost sharing arrangement. There will also be cases where the GM is remunerated for the services that it provides to a specific donor or group of donors. For this purpose, IFAD would hold a *Global Mechanism Special Account* into which such proceeds would be paid and accounted for.

III. FINANCIAL FACILITIES

48. ***Special Resources for CCD Finance (SRCF)***. The INCD negotiating text on GM, paragraph 4(e) refers to the availability of resources mobilized for the GM directly or through its host agency. Such resources should have a minimum critical mass to permit the GM to have a tangible impact and leverage in performing the activities related to some of its tasks, in particular those mentioned under Programme Area A. The GM should be mandated to prepare and adopt a framework through which such resources would be mobilized and utilized. The President of IFAD would recommend to the Executive Board of IFAD, that the Fund participate in the SRCF as a catalyst, with a contribution of USD 10 million in grant from its own resources. It is expected that this amount would be matched on a reasonable basis by interested donors so as to ensure a minimum critical mass of resources for the SRCF.

49. The SRCF consists of grant resources that would be under the control of the GM, but fiduciary responsibility (accounting, disbursement, etc.) would be vested with IFAD. Moreover, IFAD would ensure that the proposals would be subject to adequate quality control and would assure donors of financial due diligence in the operations of the facility. The SRCF would be used for the following types of *enabling* activities:

- financing assistance to governments and regional/subregional bodies in the preparation of national action programmes, subregional and regional action programmes;
- financing assistance to the preparation of local area development programmes that respond to National Action Programmes;
- catalytic financing for National Desertification Funds, designed within the context of National Action Programmes;
- financing grass-roots NGO/CBO initiatives in support of the CCD; and
- financing critical activities that will influence the direction and magnitude of resources for the transfer of science and technology.

50. ***Provision for other financial facilities***. As the CCD implementation process matures, it would be highly desirable for the Parties to establish a facility with a magnitude and scope that could assist in the financing of NAPs and other Action Programmes to be implemented through national agencies using existing capacity at international and regional levels. IFAD would be prepared to consider how best to establish such a facility, the resources of which would be directed and guided by the GM.

PART THREE: CONCLUDING REMARKS

51. IFAD's programme and project experience in dryland areas represents a knowledge resource and an operational basis for action at a time of renewed international commitment to address drought and desertification as global problems with local solutions. In view of the strong convergence between the people-centred approach called for in the Convention and IFAD's own orientation to participatory development at community and household levels, the Fund has been duly recognized by the INCD as an important vehicle for achieving CCD objectives both immediately in the Interim Period and after entry into force of the Convention.

52. IFAD in turn recognizes that the Convention provides an important instrument for enhancing the effectiveness of its efforts to promote sustainable development, alleviate conditions of rural poverty and promote local initiatives in dryland areas. The CCD provides a welcome basis for a coherent framework to facilitate coordination of efforts to address environmental, food security and poverty alleviation dimensions of dryland development. National Action Programmes (NAPs), and their regional and subregional complements, are perceived by IFAD as a dynamic and ongoing process of policy, institutional and technological adaptation combined with investment to better address the needs of dryland areas and their populations. In this regard, the Fund considers the GM to be a critically important element for a successful implementation of the Convention, particularly with regard to the two-way linkages between mobilization of resources and effective utilization of these at the local level.

53. In the broader context of its commitment to assisting Parties in the implementation of the Convention, IFAD is confident that its accumulated institutional experience and capacity could be harnessed to enable it to play a dynamic and synergistic role in hosting the Global Mechanism and facilitating its work. In brief, the following attributes are of specific relevance to the GM:

- IFAD has expertise and knowledge in financing projects and programmes directed at ensuring maximum flow of resources to local populations. The expertise in development finance includes programme design, appraisal and evaluation.

- IFAD has a track record in mobilizing significant resources, including for technology transfer, in addition to its own resources through various modalities, including acting as a catalyst by arranging cofinancing, and establishing innovative mechanisms such as SRS for the implementation of its Special Programme for Sub-saharan African Countries Affected by Drought and Desertification (SPA) and the Belgian Survival Fund (BSF)/JP Special Account for implementation of a joint programme with three other UN Agencies.

- The future programme of assistance of IFAD, including grant resources to be allocated for technology transfer and capacity building, has a major emphasis on combating drought and desertification, thus ensuring a significant catalytic role for IFAD in the future in those areas perceived as priorities within the framework of the CCD.

- IFAD has the institutional capacity to undertake the analysis of resource availability and flows. This capacity has recently been strengthened as a core business process of the institution.

- IFAD has a broad base of collaboration agreements in operation with almost all IFIs and the Regional Development Banks, as well as FAO and WFP. It has strong operational linkages with NGOs and is developing collaboration with the private sector.

- IFAD is actively supporting activities relevant to the implementation of the CCD, including assisting National Action Programming and regional action programmes. It has also initiated preparatory studies relevant to the eventual operation of the GM.

54. In the context of housing the Global Mechanism, IFAD is prepared to support the role of the Global Mechanism as follows:

- earmarking an amount of USD 100 million from its annual programme of assistance to be directed and guided according to the priorities indicated by the GM and processed through IFAD's normal procedures in close association with the GM;

- provision of a USD 10 million grant to the SRCF for its initial year of operation and consideration of replenishment according to experience and to donor response;

- allocation of 30% of its NGO Extended Cooperation Programme, presently estimated at USD 2 million, to NGO/GRO pilot activities in support of the CCD;

- provision of technical advisory services in performing the function of technical advisory group; and

- provision of institutional support, advice, and other backstopping for resource mobilization through its Economic Policy and Resource Strategy Department.

55. The Fund's interest in exploring the nature of its possible support is based on the expectation that the GM will evolve as an effective vehicle for mobilizing additional resources for the poor in dryland areas. Such interest is also contingent upon review by its Executive Board of the implications of IFAD's association with the GM and to this end its endorsement of the role that the Fund would be undertaking.

ANNEX-I

CRITERIA FOR SELECTING AN INSTITUTION TO HOUSE THE GLOBAL MECHANISM

1. Section B of the INCD negotiating text specifies three sets of criteria for selecting an institution to house the Global Mechanism. These are entitled B1 "Functional Capacity"; B2 "Relationship to Conference of Parties"; and B3 "Administrative and Other Support." The latter two criteria, as well as Criterion 1(c), are dealt with fully in the main text and will not be repeated here.

Criterion 1: Functional Capacity

> ***Criterion 1(a)**. Relevance of mandate, general objectives and activities of institution to overall objective of GM, "to increase the effectiveness and efficiency of existing financial mechanisms", and to its mission "to promote actions leading to the mobilization and channelling of substantial financial resources, including for the transfer of technology, on a grant basis, and/or on concessional or other terms, to affected developing country Parties."*

2. IFAD, a specialized agency of the United Nations system, was launched in December 1977 as an international financial institution. According to Article 2 of the Agreement Establishing IFAD, the "objectives of the Fund shall be to mobilize additional resources to be made available on concessional terms for agricultural development in developing Member States." The Lending Policies and Criteria of IFAD specify that the Fund will "concentrate its resources upon activities that promise to achieve in a cost-effective way a reduction of poverty in rural areas where most poor people live and work". IFAD's Vision states that the Fund, together with its partners, "shall ensure the design and implementation of innovative, cost-effective and replicable programmes with sustainable impact, responding to the expectations of poor rural people and its Member States." Since the beginning of its operations, the Fund has committed over USD 3 billion for programmes in dryland areas with primary focus on local area development and has provided USD 165 million in technical assistance grants for agricultural research and related activities of technology transfer, institution building and training for resource poor farmers. Since adoption of the Convention to Combat Desertification, the Fund has committed more than USD 600 million for LADPs in dryland areas.

3. Resource Base. Since 1978, IFAD has received Member contributions of about USD 2 900 million, under its Initial Resources and three subsequent Replenishment of the Fund. In 1997, the Fund successfully concluded its Fourth Replenishment under which members have pledged an additional amount of about USD 420 million. A secondary source of external funding is provided under special programmes and supplementary fund agreements with donors of more than USD 500 million. A third and significant source of funds is that generated by IFAD operations. For the next three years, IFAD expects to receive about USD 490 million in reflows and an additional USD 420 million in investment income.

4. Regional Distribution. IFAD has provided finance for over 460 projects across 110 countries. Over the period 1978-1996, Africa received 30.5% of IFAD's regular resources (USD 1 376.75 million) or 34.9% (USD 1 699.87 million) when resources under IFAD's Special Programme for Sub-saharan African Countries Affected by Drought and Desertification are included; Asia and the Pacific received 35.4% (USD 1 594.07 million); Latin America and the Caribbean received 16.8% (USD 756.41 million) representing a progressive increase over the last decade; and the Near East and North Africa received 16.8% (USD 818.04 million). Low income, food-deficit countries as defined by the FAO continue to receive the bulk of IFAD financing. The overall share of highly concessional lending has risen to 62.4% of total lending under the regular programme over the period 1978-1996.

5. Overall Financing in 1996. IFAD financing in 1996 increased substantially over previous years' levels to a total of USD 407.91 million (33 projects and 95 technical assistance grants). More projects were delivered in 1995 and 1996 than in previous years, while the average size remained fairly constant (USD 12.36 million).

***Criterion 1(b)**. Capacity of institution to organize GM to perform efficiently functions of GM in order to assist Conference of Parties (COP), as well as individual Parties and groups of Parties, particularly those in Africa, to meet Convention obligations regarding financing.*

Resource Mobilization Capacity

6. IFAD's primary task is the mobilization of additional resources to directly improve the production and income generation capacity of the rural poor, as well as helping to create the policy and institutional environment affecting the utilization of those resources, and the resources that the poor themselves bring to their economic activities. From the beginning of operations in 1978 up to the present, the Fund's financing under both its Regular and Special Programmes has totalled USD 5.1 billion, which has mobilized an additional USD 10.8 billion from external cofinancing (31.3% of total project costs) and recipient contributions (39% of total project costs). This represents a wide-ranging coalition and the operational linkages that the Fund has developed with almost all international and regional banks as well about 25 bilateral donors from developed and developing countries. This coalition has enabled the Fund to develop a detailed knowledge of these agencies' modus operandi and lending requirements. Of major importance are the attempts that have been made towards harmonization of operations in a number of areas that are critical for smooth and effective cofinancing, such as procurement and disbursement modalities, joint project design and appraisal and project evaluation. Besides a number of traditional Trust Funds, IFAD has also initiated and launched a number of strategic coalitions with various partners with the aim of mobilizing additional resources, focusing on specific development priorities. The notable examples that demonstrate the Fund's capacity in this regard are:

(a) IFAD's Special Programme for Sub-Saharan African Countries Affected By Drought and Desertification (described above). Under this programme, the Fund has mobilized USD 400 million additional resources from 25 donors (primarily from OECD countries). These resources have been utilized and committed in conjunction with USD 180 million of external resources from cofinancing and USD 120 million mobilized from borrowing countries and project beneficiaries. To implement this programme the donors' contribution is received in the form of cash or promissory notes into a special mechanism called Special Resources for Sub-Saharan Africa (SRS).

(b) Belgian Survival Fund for the Third World (BSF). This programme, focusing initially on the Horn of Africa, has received USD 70 million in grant financing from the Belgian Government during its first phase. Encouraging results of the evaluation by the donor country and the appreciation by the Belgian Parliament of programme performance have led to the allocation of an additional USD 60 million for a second phase begun in 1996. The programme is being implemented through a collaborative programme between IFAD-WHO-UNICEF-UNDP and the Government of Belgium. IFAD as the host and Lead Agency for the programme, ensures that the combined institutional experience and expertise of the participating agencies, including field representation of UNDP, are galvanized towards the most effective utilization of the resources of the programme. Contribution to this programme is received into a special account administered by IFAD.

7. Of significant importance to the GM would be the Fund's ability and potential to act as a catalyst for resource mobilization towards financing projects and programmes in arid, semi-arid and dry subhumid zones in all developing regions, including economies in transition. Although IFAD does not follow a particular country or sectoral allocation, the weight of resources allocated within its lending programme to marginal lands will continue to be significant in the future. In addition, the Fund's recognized capacity in the area of domestic resource mobilization and rural financial services, including savings mobilization, will be relevant.

Capacity for Analysis of Resource Trends and Prospects

8. In response to emerging challenges, in particular the recognition of its responsibility to continue with its effort towards mobilizing and channelling additional resources, the Fund has enhanced its institutional capacity for resource mobilization by the creation, in late 1994, of an Economic Policy and Resource Strategy Department specifically for articulating and implementing strategies for mobilizing additional resources for the benefit of the rural poor. This department is continuing to build capacity in data collection and analysis of resource availability and sources of finance. Through linkages with the Development Assistance Committee (DAC) of the OECD, the World Bank, FAO, and UNDP, the scope for data acquisition will be enhanced. The present programme of work of the department is focusing on drylands and more specifically on enhancing IFAD's capacity to build coalitions to assist its member states to combat desertification and adopt long-term strategies to mitigate the impact of drought.

9. Specific core processes of the department focus on resource mobilization dimensions as follows: (i) market intelligence; (ii) evaluation of major priorities and opportunities; (iii) elaboration of possible resource-utilization strategies that match priorities and opportunities; (iv) database and documentation on resource availability and sources; (v) network building; and (vi) provision of advice to constituencies.

> ***Criterion 1(d)***. *Context which institution offers for establishing effective relationships with other relevant entities, including its experience with, and knowledge of, operations of bilateral, regional, and multilateral financial institutions, as well as NGOs and other private sector entities.*

Strategic Coalitions with Other Institutions

10. As a small institution with an explicitly catalytic role in resource mobilization, the Fund's modus operandi has been to act in partnership with other development institutions (see Table 1). This is particularly consistent with the thrust of the Convention and will be a mainstay of IFAD's efforts in its implementation. The Fund has a close working relationship with the World Bank in the context of a cooperative agreement adopted in 1978. Of particular relevance to the workings of the GM are the agreements with the Regional Development Banks. In 1994, the Fund established supplementary cooperation agreements with the Asian Development Bank and the Inter-American Development Bank focused on reinforcing approaches to poverty alleviation based on IFAD's comparative advantage. A similar arrangement is being discussed with the African Development Bank.

11. Similarly, IFAD has a long-standing agreement with the Investment Centre of the Food and Agriculture Organization of the United Nations for the identification and formulation of investment projects in agriculture and rural development and for other advisory services. Moreover, IFAD and FAO already have close collaboration in assisting in the preparation of a number of National and Regional Action Programmes. A workshop organized jointly by FAO and IFAD with the participation of the CCD Interim Secretariat explored the approach and modalities for combined action to assist countries in this regard. The Fund is building on this relationship and extending it to other areas of collaboration. One example is the proposed IFAD/FAO cooperative programme that will make remote sensing and geographic information systems data and expertise available for IFAD-financed projects. The Fund has joined forces with the other major UN agriculture and food agencies - FAO and WFP - to establish the Technical Panel

on Drought Management for the World Conference on Natural Disaster Reduction, building on IFAD's pioneering work in drought vulnerability mapping and the strengthening of local and national drought-coping strategies. The Fund has also entered into an agreement with the World Bank on GEF operations. The agreement centres on generating a demonstration pipeline of projects that address land degradation through community-based approaches in the context of GEF focal areas of concern.

NGO Consultative Mechanisms and Linkages

12. The 1977 Agreement Establishing IFAD underlines the importance of collaborating with NGOs. IFAD has formalized a consultative process with the NGO community whereby it holds an annual Forum in which NGOs from both North and South participate in discussing and reaching concrete conclusions on strengthening collaboration in the Fund's pipeline of programmes and projects. These meetings also discuss a particular theme each year, such as credit as a channel for poverty alleviation, participation for empowering the rural poor, and the role of NGOs in arresting land degradation and the reduction of poverty. The 1996 consultation focused on capacity building at the local level in the context of the LADPs foreseen under the CCD.

13. At field level, by the end of 1994, IFAD had cooperated with more than 110 NGOs. Indeed, NGO participation in the Fund's project activities has significantly accelerated over the past five years. Of the NGOs cooperating with IFAD, approximately 49% are working in sub-Saharan African countries, compared with 28% in Latin America and the Caribbean, 19% in Asia and the Pacific and 4% in the Near East and North Africa. Of the 33 projects approved in 1996, 26 have substantial NGO involvement. In selecting the NGOs with which it cooperates, IFAD has made a major attempt to work with NGOs from the South. Consequently, two-thirds of the NGOs involved in IFAD's projects are Southern NGOs indigenous to IFAD project areas.

14. There are a number of sources and mechanisms through which funding is provided to NGOs cooperating with IFAD at the field level. In some cases, funding is provided within the context of project components financed both under the Regular Programme or the SPA. Some NGOs mobilize resources for their own activities, and limited amounts of grant funding have been provided by IFAD under its Special Operations Facility. In addition, a grants facility, known as the IFAD/NGO Extended Cooperation Programme (ECP), was launched in 1988 to promote pilot activities that would lay the groundwork for future investments in rural poverty alleviation or in support of ongoing projects. By the end of 1996, more than 50 such grants, each not exceeding USD 75 000, had been committed under this programme. Of particular relevance to the CCD and GM are the grant to the SOS Sahel to review and analyze the Impact of Outmigration on Workload of Rural Women and its Implication for Resource Conservation; a grant to the World Resources Institute (WRI) to promote NGO capacity in policy dialogue in CCD implementation; a grant to the Canadian Hunger Foundation to examine the feasibility of a network on drought mitigation; a grant to the Centre for our Common Future for the preparation of a simplified version of the CCD; and a grant to NGO/PVO NRMS Project for the formulation of a coalition for CCD implementation in eight countries.

The Popular Coalition to Eradicate Hunger and Poverty

15. The Popular Coalition to Eradicate Hunger and Poverty was founded at the Conference on Hunger and Poverty, held in Brussels in 1995. IFAD has been entrusted with the role of focal point for the coalition, which is focusing on initiating and supporting practical activities whose central thrust is the empowerment of civil society organizations through policy dialogue, upscaling and networking arrangements, and direct support for grass-roots programmes. The coalition has accorded high priority to the early implementation of the CCD, which is one of the five major programmes adopted at the Hunger Conference. The coalition is being guided by a committee comprised of the World Bank, FAO, WFP, IFAD, the European Commission, and representatives of five major networks of NGOs in various regions, as well a representative of NGOs concerned with the implementation of the CCD.

Criterion 1(e). *Knowledge of institution regarding desertification and drought issues, and its experience working with government, local communities and other entities in affected developing countries, particularly those in Africa, in dryland management, local area development and other relevant fields.*

16. IFAD's first consolidated response to the challenge of desertification was to launch the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (SPA). The first phase was approved by the IFAD Governing Council in 1986, the second phase in 1991. The basic conservation thrust of the SPA lies in the development of systems of land use and management that combine resource conservation, based on traditional methods, with sustained and enhanced income generation. The experience, knowledge and institutional memory generated through SPA projects will be mainstreamed in IFAD's Regular Programme, where these will continue to serve the needs of the rural poor in dryland areas and form a substantial basis for IFAD's role in supporting countries to combat poverty and land degradation in the implementation of the Convention in all developing regions.

17. IFAD's experience in combating land degradation has focused on the following issues: the on-farm operations of the farmer in resource use and conservation; community management of common property and currently de facto open-access resources; promotion of off-farm and non-farm income-generating activities; household food security; community-level drought and food supply monitoring in the context of smallholder strategies for coping with drought; strengthening the interface between government institutions and the local community; and development of rural financial systems, communications, stockholding, including local-level storage and processing, and marketing.

18. The lessons from the SPA and indeed IFAD's Regular Programme strongly suggest that drought and desertification must be addressed through land management by resource users. IFAD projects in this domain have succeeded because they have sought to address drought and desertification by promoting a transition to more sustainable land-use systems, rather than by introducing discrete "anti-desertification" measures in isolation. The starting point for IFAD projects in areas prone to desertification is the needs of the populations who depend on the productivity and resilience of dryland resources for their survival. The Fund has also shifted the focus of drought response from emergency relief to long-term resilience, an approach that extends to new concepts for project design and implementation that focus on flexible approaches for assisting local populations in taking the initiative.

19. In view of the convergence between Convention provisions and IFAD operations, IFAD expects to play an instrumental role in the implementation of the Convention. Implementation of CCD objectives in the Interim Period has already explicit in IFAD's lending programme strategy, as outlined in the Fund's Programme of Work and Budget since 1995. IFAD's most direct contribution to combating desertification and the effects of drought is at the local level through the development and financing of programmes and projects that could serve as replicable responses to the causes and consequences of poverty and environmental degradation in dryland areas. Within the context of NAPs, assistance will be required for a large number of communities and groups in identifying their needs and in pursuing medium and long-term projects in a flexible manner. This will require that considerable local programming capacity and experience be accumulated through "local area programmes" such as those financed by IFAD's SPA and its Regular Programme. As stated earlier, since adoption of the CCD, the Fund has committed more than USD 600 million for local area programmes in the drylands. In April 1995, IFAD's Executive Board approved a pilot *Technical Assistance Grant Programme for Assistance to African Countries in the Implementation of the Resolution on Urgent Action for Africa in the Interim Period.* In line with the Fund's overall thrust, this programme of grants is geared to facilitating the local-level dimension in national action programming during the interim period and drawing lessons for further expansion of this thrust.

20. In order to strengthen the overall thrust of the institution towards implementation of the Convention, IFAD has established an Inter-Departmental Task Force for CCD implementation, chaired by the Assistant President of IFAD's Programme Management Department. The Task Force seeks to promote an optimal "match" between IFAD operations and the Convention. The Fund has also established capacity to undertake a series of thematic natural resource management studies of its portfolio of desertification-related projects and the development of modules to assist in the analysis and replication of successful approaches to development in marginal areas. In addition, recognizing the imperative of a conducive policy environment for participation of resource users in conservation and sustainable management of natural resources, the Fund has launched a comprehensive programme of studies to examine pertinent policy and institutional issues at the national and local levels. To this end, an International Advisory Committee consisting of major academic centres in the North and South, and NGOs, has been formed. The findings and recommendations arising from these studies are being disseminated through public awareness campaigns and Development Support Communication techniques at various levels, from legislative bodies down to the grass-roots level. Examples include the Workshop on Land Degradation and Poverty conducted in the US Congress, the Symposium for World Desertification Day of June 1995, and the IFAD/CCD International Forum on Local Development Programmes in the Implementation of CCD in June 1996.

> ***Criterion 1(f)**. Experience and capacity of the institution in supporting research activities and in facilitating the transfer, acquisition, adaptation, and development of environmentally sound, economically viable and socially acceptable technologies.*

21. While the bulk of IFAD resources are provided on highly concessional, concessional and ordinary terms to developing countries, the Fund also has an active programme of technical assistance in the form of grants for research into technologies for resource-poor farmers. Since IFAD's inception, the Technical Assistance Grant (TAG) Programme has provided USD 165 million for agricultural research and related activities of technology transfer, institution building and training. While the Fund's contribution in magnitude terms may be considered relatively modest in relation to overall resource flows, it has been able to pioneer and catalyse much-needed research on neglected traditional crop and livestock farming systems, especially in risk-prone environments, and on addressing poor farmer constraints. Examples include research into agroforestry based technologies in the Sahel and elsewhere in Sub-Saharan Africa, development of sustainable integrated agricultural technologies for rainfed agro-ecosystems in Asia, improvement of cassava germplasm with elite characteristics, including drought tolerance, aimed at arid and semi-arid environments of Latin America, development and transfer of stress-tolerant cereals and feed legumes in the Near East and North Africa, and rehabilitation of traditional community-based livelihood systems through Date Palm and Camel Networks in the region. The Fund has also been at the forefront in promoting synergies between International Agricultural Research Centres and National Agricultural Research Systems, while seeking to reorient research to smallholder concerns and rural poverty issues.

22. The Fund has recently increased its ceiling for TAGs from 5% to 7% of annual effective lending operations, or about USD 30 million. This includes resources for assistance to countries in programme formulation, including specific allocations for the environmental dimensions of investment preparation. A recent strategy paper for technical assistance grants is recommending that between 30-40% of this be devoted to desertification-related activities for the next five years. The Fund has already established a TAG Programme for Assistance to African Countries in the Implementation of the Convention to Combat Desertification in the Interim Period. The TAG programme, which is being pilot tested at a level of USD 1.15 million during the Interim Period, is conceived to allow IFAD to have the flexibility to meet the needs of affected countries for varying types of assistance geared towards maintaining the focus of NAPs on resource users at the local level. It is also intended to accelerate learning on how best to do so.

Criterion 1(g). *Experience and capacity of the institution to assist affected developing country Parties in dealing with poverty eradication and development issues, in conformity with the priority to Africa accorded in Article 7 of the Convention.*

23. IFAD-financed projects and programmes are geared to enhancing food production systems and to strengthening related policies and institutions within the national policy framework. Specific objectives are: food security through increased agricultural production, and improvement of nutritional levels and incomes of the poorest rural populations, the landless, marginal farmers, pastoralists, artisanal fishermen, and indigenous peoples; and, cutting across all categories, poor rural women. In the 19 years of its operations, IFAD has developed specific approaches to fulfilling its mandate of rural poverty alleviation and has established a role for itself in financing innovative small-scale interventions that can be replicated on a wider basis. A key ingredient in IFAD projects is the strengthening of rural formal and informal institutions to better manage a transition to sustainable agriculture. Project design has been guided in recent years by the imperative of strengthening rural women's economic role through support for production activities, training, education, health and nutrition. The Fund has increasingly promoted a process approach to development based on flexible long-term commitment to the needs of local populations. It has adapted its project cycle accordingly while maintaining rigorous standards of appraisal. Moreover, flexible design and the ability to respond to evolving circumstances during project implementation has led the Fund to strengthen its evaluation function, which is now explicitly geared to sharing lessons with other institutions.

24. IFAD's Technical Assistance Grants Programme for Research and Training is a critical instrument for the pursuit of IFAD's corporate strategy with regard to the development of innovative and effective means to eradicate rural poverty in IFAD's own operations and, through increased policy dialogue and collaborative programming, in the operations of the entire ensemble of the operations of stakeholders in rural development. Its function is to: identify critical constraints to income generation and food security among the rural poor; assist in the development of cost-effective solutions adoptable by the IFAD target group; and contribute to the dissemination of knowledge of those solutions to development practitioners and policy makers, including civil society institutions, government personnel and the development assistance community. The TAG programme is a vehicle of collaboration between IFAD, centres of excellence and the rural poor.

Criterion 1(h). *Exhibition by the institution in practice of the principles of transparency, neutrality, and universality in its management and its operations.*

25. As a Specialized Agency of the United Nations System, IFAD is governed by the principles of transparency, neutrality and universality in its management and its operations.

Table 1
COOPERATION AGREEMENTS AND SPECIFIC FUNCTIONS

Cooperation Agreements	Project Ident\Prep.	Project Appraisal	Project Supervision	Loan Administration	Other (Incl.Cofin.)
A. IFIs					
1. The World Bank (WB)	X	X	X	X	X
2. African Development Bank (AfDB)	X	X	X	X	X
3. Asian Development Bank (ADB)	X	X	X	X	X
4. Inter-American Development Bank (IaDB)	X	X	X	X	X
5. Caribbean Development Bank (CDB)	X	X	X	X	X
6. Arab Fund for Economic and Social Development (AFESD)	X	X	X	X	X
7. West African Development Bank (BOAD)	X	X	X	X	X
8. Corporación Andino de Fomento (CAF)	X	X	X	X	X
9. Central American Bank for Economic Integration (BCIE)	X	X	X	X	X
10. African Bank for Development in Africa (BADEA)	X	X	X	X	X
11. Financial Fund for the Dev. of River Plate Basin (FONPLATA)	X	X	X	X	X
12. Islamic Development Bank (IsDB)	X	X	X	X	X
13. Arab Gulf Programme for UN Dev. Organization (AGFUND)	X	X	X	X	X
14. African Export-Import Bank (AFREXIMBANK)	X	X		X	X
B. UN System					
1. Food and Agriculture Organization (FAO)	X	X	X		X
2. United Nations Office for Project Services (UNOPS)	X	X	X	X	X
3. International Labour Organization (ILO)	X	X	X		X
4. UN Centre for Human Settlements (UNCHS)	X	X			X
5. UN Industrial Development Organization (UNIDO)	X	X			X
6. United Nations Children's Fund (UNICEF)	X				X
7. UN Depart. for Dev, Support & Manag. Services (UNDDSMS)	X	X	X	X	

Cont'd TABLE 1
COOPERATION AGREEMENTS AND SPECIFIC FUNCTIONS

Cooperation Agreements [1]	Project Ident\Prep.	Project Appraisal	Project Supervision	Loan Administration	Other (Incl.Cofin.)
C. Regional					
1. Arab Organization for Agricultural Development (AOAD)					X
2. Organization of African Unity (OAU)					X
3. Organization of Islamic Conference (OIC)					X
4. Church World Service (CWS)					X
5. Gulf Cooperation Council (GCC)					X
6. Inter-American Institute for Coop. on Agriculture(IICA)	X	X	X		X
7. Islamic Educational Scientific & Cultural Organization (ISERCO)					X
8. African Regional Centre for Technology (ARCT)					
9. Perm.Inter-State Com.for Drought Control in the Sahel (CILSS)					X
					X
D. Other Organizations					
1. World View International Foundation (WIF)					
2. International Primatological Society (IPS)					X
3. Belgian Survival Fund (BSF)					X
4. Netherlands					X
5. Norway					X
6. Finland					X
7. Italy					X
					X
TOTALS	22	21	18	16	37

Source: IFAD's Legal Services

* In chronological order with categories
** only when cofinancing

ANNEX-II

Part 1: Indicative Global Mechanism Administrative and Operating Budget (1998)

Table: 1.1 Global Mechanism Personnel Costs 1998 (USD)

1. Staff	Category	Fees (USD)	Number	Total (USD)
	Manager, D2	160 000	1	160 000
	P5 (step VI)	145 000	2	290 000
	P4 (step VI)	127 000	3	381 000
	P2 (APOs)	80 000	2	160 000
	G7	80 000	1	80 000
	G6	70 000	1	70 000
	G5	60 000	1	60 000
	G4	53 000	1	53 000
	G3	47 000	1	47 000
	G2	43 000	1	43 000
2. Recruitment*				400 000
TOTAL				**1 744 000**

* Recruitment total based on estimated costs of advertising, interviews of at least 3 candidates for P- posts, travel/shipment on appointment and repatriation, and assignments grant (DSA plus lump sum).
Exchange rate with Italian lt 1,545 (22 Apr 1997).

Table: 1.2 Global Mechanism Housing Costs 1998 (USD*)

Staff/Requirements	Qty	Sqm	Office rooms USD/yr	other costs USD/yr	furniture costs	equipment cost (**)	Total (USD)
Manager (D2)	1	30	7 223		7 120	3 883	18 226
Professional staff	5	75	18 058		14 239	19 417	51 714
(P4-P5)	2	15	3 612		5 178	7 767	16 557
APOs	2	15	3 612		5 178	7 767	16 557
Senior General	4	30	7 223		10 356	15 534	33 113
Services	1	15	3 612		2 589		6 201
General Service	1	22.5	5 418		6 472		11 890
Meeting room	1	7.5	1 806		647		2 453
Registry Office	1					1 294	1 294
Waiting area	1			5 592			5 592
(Manager)	1+1					5 825	5 825
Fax				13 701			13 701
Photocopier				6 796			6 796
LAN & local printers				1 672			1 672
Messenger (G2, 6mm)							
Electricity							
Heating							
Telephone calls							
Total recurrent costs			50 563	27 761	51 780	61 489	78 324 113 269
Total "one time" costs							**191 593**
Overall Total							

* exchange rate with Italian lt 1,545 (22 Apr 1997)
** includes: computing equipment and telephone appliances

Table: 1.3 Global Mechanism Operating Costs 1998 (USD)

Item		Cost.	No.	Total
1.Travel (8 staff)	Flights DSA	3 000 200	9 90	216 000 144 000
2. Meetings of High Level Advisory Panel on Finance (6 members)	Flights DSA	4 000 200	3 6	96 000 9 600
3. Consultancy Services				250 000
4. Sub-contracting services				250 000
5. Publications and Media				100 000
Total				**1 065 600**

Table: 1.4 Total Costs 1998 (USD)

1. Personnel costs	Staff Recruitment	1 344 000 400 000
2. Housing costs	"One-time" cost Recurrent cost	113 269 78 324
3. Operating costs	Travel Meetings Consultancy Sub-contracting Publications/Media	360 000 105 600 250 000 250 000 100 000
4. Contingencies (10%)		300 119
Total		**3 301 312**

Part 2: Indicative Global Mechanism Administrative and Operating Budget (1999)

Table: 2.1 Global Mechanism Personnel Costs 1999 (USD)

1. Staff	Category	Fees (USD)	Number	Total (USD)
	Manager, D2	160 000	1	160 000
	P5 (step VI)	145 000	2	290 000
	P4 (step VI)	127 000	3	381 000
	P2 (APOs)	80 000	2	160 000
	G7	80 000	1	80 000
	G6	70 000	1	70 000
	G5	60 000	1	60 000
	G4	53 000	1	53 000
	G3	47 000	1	47 000
	G2	43 000	1	43 000
TOTAL				1 344 000

Exchange rate with Italian lt 1,545 (22 Apr 1997)

Table: 2.2 Global Mechanism Housing Costs 1999 (USD*)

Staff/Requirements	Qty	Sqm	Office rooms USD/yr	other costs USD/yr	Total (USD)
Manager (D2)	1	30	7 223		18,226
Professional staff (P4-P5)	5	75	18 058		51,714
APOs	2	15	3 612		16,557
Senior General Services	2	15	3 612		16,557
General Service	4	30	7 223		33,113
Meeting room	1	15	3 612		6,201
Registry Office	1	22.5	5 418		11,890
Waiting area	1	7.5	1 806		2,453
(Manager)	1				1,294
Fax	1			5 592	5,592
Photocopier	1+1				5,825
LAN & local printers				13 701	13,701
Messenger (G2, 6mm)				6 796	6,796
Electricity				1 672	1,672
Heating					
Telephone calls					
Total recurrent costs			**50 563**	**27 761**	**78,324**

* exchange rate with Italian lt 1,545 (22 Apr 1997)

Table: 2.3 Global Mechanism Operating Costs 1999 (USD)

Item		Cost.	No.	Total
1.Travel (8 staff)	Flights DSA	3 000 200	9 90	216 000 144 000
2. Meetings of High Level Advisory Panel on Finance (8 members)	Flights DSA	1 000 200	3 3	96 000 9 600
3. Consultancy Services				250 000
4. Sub-contracting services				250 000
5. Publications and Media				100 000
Total				**1 065 600**

Table 2.4 Total Costs 1999 (USD)

1. Personnel costs	Staff	1 344 000
2. Housing costs	Recurrent cost	78 324
3. Operating costs	Travel Meetings Consultancy Sub-contracting Publications/Media	360 000 105 600 250 000 250 000 100 000
4. Contingencies (10%)		248 792
Total		**2 736 716**

APPENDIX III

REVISED SUBMISSION OF
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

The Administrator **United Nations Development Programme** **UNDP**
Sustainable human development

1st May 1997

Dear Ambassador Diallo,

Subject: Updated UNDP Submission for Housing the Global Mechanism of the United Nations Convention to Combat Desertification

I am pleased to forward to you UNDP's updated capacity statement for housing the Global Mechanism of the United nations Convention to Combat Desertification, as requested by the tenth session of the INCD, held in New York, January 1997.

In preparing our submission, we have closely followed the criteria in document A/AC.241/WG.1 (X)/L2. While there are still some outstanding issues relating to the functions of the Global Mechanism, UNDP is confident that a solution can be worked out to allow this important instrument of the CCD to be put into operation as expeditiously as possible.

UNDP stands ready to provide any further clarifications and/or additional information that may facilitate the work of the Conference of the Parties regarding selection of an organization to house the Global Mechanism. As upcoming INCD discussions will now begin to focus more specifically on the question of selection of an organization to house the Global Mechanism, I will keep the UNDP Executive Board informed and for advice, as appropriate.

Yours sincerely,

James Gustave Speth

Ambassador Hama Arba Diallo
Executive Secretary
Interim Secretariat of the CCD
11/13 Chemin des Anémones
CH-1219 Châtelaine, Geneva
Switzerland

UNDP AND THE GLOBAL MECHANISM

of the

UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION

An updated Submission

to

The Intergovernmental Negotiating Committee for
The Convention to Combat Desertification

April 1997

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GENERAL INTRODUCTION

The tenth session of the INCD, held in New York, January 1997, requested UNDP and IFAD to "***submit to the interim secretariat, by 1 May 1997, revised versions of any new elements to their offers to house the Global Mechanism, as contained in document A/AC.241/33, including on the possibility of co-hosting and including the proposed administrative operations of such a mechanism...***" (Doc. A/AC.241/WG.1 (X)/L2). The present note, prepared by UNDP, is in response to that request, and constitutes an updated version of UNDP's earlier submission on the Global Mechanism.

Document A/AC.241/WG.1 (X)/L2 sets out the functions of the Global Mechanism and the criteria for selecting an organization to house it. **This paper is structured systematically to respond to the criteria as outlined in that document.**

On the issue of co-hosting, a separate note will be prepared jointly by UNDP and IFAD and made available to the INCD.

I. UNDP's VIEWS ON THE CCD AND THE GLOBAL MECHANISM

1.1 THE CCD: A MULTI-SECTORAL FRAMEWORK FOR SUSTAINABLE DEVELOPMENT OF DRYLANDS

Poverty is endemic in dryland areas of the world, which includes over one hundred developing countries in all regions. Countries with significant dryland areas and/or populations are often among the poorest in the world. Furthermore, there is compelling evidence of the inextricable linkage between poverty and dryland degradation. The CCD is therefore central to efforts to eradicate poverty in developing countries affected by desertification, making it, in UNDP's view, an important multi-sectoral vehicle to promote sustainable human development in dryland countries. In this context, UNDP's work on promoting **sustainable livelihoods** could make a significant contribution to the implementation of the CCD.

In UNDP's opinion, the CCD should be seen as a broad framework to support dryland development, and not a narrow sectoral one (e.g agriculture, land management, forestry, etc). For this reason, UNDP with its broad-based sustainable development agenda, its substantive and technical capacity (including its work on the Human Development Report), its operational field presence and its proven capacity to mobilize grant resources in support of development, is well placed to buttress CCD implementation and to serve as host for the Global Mechanism.

Furthermore, UNDP's long-term experience and capacity in supporting development is now complemented by a strong capability in the environmental field (through its Sustainable Energy and Environment Division-SEED), making UNDP one of the leading organizations for addressing the **environment-development nexus**, a particularly challenging task in dryland areas.

Since adoption of the CCD in 1994, UNDP has further emphasized desertification control and drought mitigation as important corporate concerns. Thus, building on the considerable experience acquired in this field, UNDP has intensified its efforts to support all affected developing countries (see Annex 1).

1.2 THE GLOBAL MECHANISM: AN INNOVATIVE INSTRUMENT FOR PROMOTING RESOURCE MOBILIZATION

The concept of a GM potentially represents a significant improvement over past arrangements for mobilizing resources for desertification control activities, notably the 1977 Plan of Action to Combat Desertification, as well as Chapter 12 of Agenda 21. **While admittedly yet un-tested, the Global Mechanism provides an important opportunity and a challenge to craft a new and innovative instrument to buttress the efforts of the Parties to the Convention for effective resource mobilization and partnership building.**

What Vision for the Global Mechanism?

The Global Mechanism should be **strong, proactive** and **innovative,** in order to actively and creatively promote the mobilization of resources for the implementation of the Convention. This is important given the magnitude and complexity of the problems to tackle and the lessons to be drawn from the failures of past efforts to combat desertification.

UNDP is also of the view, that the GM in its work should **avoid over centralization of resources,** and instead seek to **ensure rapid accessibility of resources** to affected developing countries, basing its activities on needs identified at local, national, sub-regional and other levels.

Should there be a hierarchy of functions for the Global Mechanism?

The GM function of promoting the mobilization and channelling of resources is the most important one. The GM also has a key role in helping to **optimize the use of existing resources.** While information collection and dissemination, analyses and advisory services, and coordination functions are important, these functions may require a significant lead time before their effects can be felt. Therefore, given the urgency to address dryland development challenges, more direct actions would be required, in the short-term, to promote the mobilization of resources. Ultimately however, all functions of the GM are closely inter-linked and mutually reinforcing.

Does it matter whether the GM emphasizes grant versus concessional lending?

UNDP is of the opinion that it matters. While both grant and concessional lending would be necessary to support implementation of the CCD, the Global Mechanism in its work should give **priority, in the short-term, to promoting the mobilization of grant resources,** in view of the already heavy indebtedness of many of the affected countries. A recent study by UNDP found that more than half of 27 African countries affected by desertification and drought, could be categorized as Heavily Indebted Poor Countries (HIPC). **For an affected developing country with a heavy debt burden, resource degradation could be intensified where servicing of such debt leaves very little of the already limited public resources for supporting development of dryland areas.** Grant resources would be particularly important since they could make it possible for affected countries and individual partners to design and try out innovative approaches to land management, and generate the conditions for follow-up investment in the long term.

II. FUNCTIONAL CAPACITY OF UNDP TO HOUSE THE GLOBAL MECHANISM

2.1 HOW IS UNDP'S MANDATE, OBJECTIVES AND ACTIVITIES RELEVANT TO THE WORK OF THE GM AND THE CCD?

The core mission of UNDP is to support developing countries in their efforts to formulate and implement strategies and programmes to achieve sustainable human development (SHD) with emphasis on **poverty elimination, environmental regeneration, job creation** and the **advancement of women.** Because of this focus and UNDP's past work, there is **convergence between the Convention's goals and the development agenda of UNDP, thus making UNDP an important partner in supporting the implementation of the CCD.**

Furthermore, **UNDP's mandate and activities have a direct bearing on the mission of the Global Mechanism.** To cite a few examples, UNDP:

- is the **largest multilateral entity in the UN system for mobilizing grant resources,** which are **allocated to all regions** affected by drought and desertification;

- through its **Trust Funds** and other **specialized programmes,** has **demonstrated capability for mobilizing resources for specific purposes;**

- as one of the three managing partners for the Global Environment Facility (GEF), has **experience in helping countries design projects/programmes that are eligible for funding under GEF;**

- has **knowledge of resource flows to support development activities.**

- has **capability in the design and implementation of a variety of funding mechanisms;**

- has experience **in leveraging additional resources,** to complement its resources.

2.1.1 UNDP's experience in mobilizing grant financial resources for developing countries

UNDP has demonstrated experience as **the largest multilateral entity for mobilizing grant resources (through voluntary contributions) within the United Nations system.**

- in 1996, total resources mobilized as contributions (core and non-core) were approximately **US$2 billion.** For the period **1997-99,** the UNDP Executive Board has set a target for voluntary contributions to **UNDP's core resources at US$3.3 billion.** It is also expected that the trend in upward growth of non-core resources would continue, giving a combined projected total resources of **over US$2 billion, annually;**

- for the past four decades, UNDP has consistently been able to meet the challenge yearly, of mobilizing significant amounts of grant resources and to put these resources at the disposal of developing countries.

This experience could be utilized to buttress the GM function of promoting resource mobilization to assist the affected developing countries in implementing the CCD.

2.1.2 UNDP's non-core activities and specialized programmes

UNDP has experience and capability **to take on specialized tasks and to develop programmes that mobilize and deliver additional resources.** For example, through its **Trust Funds** and special programmes (e.g. **UNCDF, UNIFEM, UNSO, UNV, Capacity 21, GEF, Montreal Protocol Unit,** etc), UNDP's non-core resources have grown tremendously over the past decades, such that they now constitute nearly one half of UNDP's total programming resources. The GM within UNDP could work closely with these entities to promote resource mobilization for the CCD.

2.1.3 Knowledge of flow of resources for development

The GM host institution should have **up-to-date and comprehensive information on the flow of resources to developing countries from all sources.** UNDP has such a capacity as shown through its work on:

- the **Development Cooperation Report** which provides a detailed picture of resource flows to individual developing countries;

- the **Socio-Economic Monetary and Resource Tables (SMART Profiles),** which provides additional information on official development financial commitments and related data by sector at national level, covering both the member countries of the Development Advisory Committee (DAC) of the OECD and developing countries.

UNDP's capability in this field could be an important instrument for promoting efforts to optimize the use of existing resources. The data bases from which these reports are derived could be modified/adapted to collect, analyze and disseminate information on resource flows for desertification control, and to provide information to the parties and other entities on sources of funds.

2.1.4 UNDP's experience in mobilizing resources from GEF

UNDP has been successfully **mobilizing resources from GEF** to help its programme countries since the facility was established. UNDP project portfolio mobilized from GEF for all regions was US$430 million at the end 1996. If UNDP were selected to house the GM, this experience could be used to provide **assistance to affected developing countries in the identification and design of projects and programmes that would be eligible for GEF funding**, as provided for in the CCD (Article 20, para. 2b), and in conformity with the GEF mandate.

2.1.5 Experience in the design of a variety of funding mechanisms and for mobilizing resources

UNDP has **experience in the design, negotiation and management of a variety of funding modalities such as cost-sharing, parallel funding arrangements, Trust Fund mechanisms, Management Services Agreements (MSAs), Round Table processes, and other mechanisms** which could be used to buttress the resource mobilization function of the GM. For example, through the Round Table Mechanism, UNDP plays a crucial role in assisting countries mobilize resources from bilateral and multilateral donors. **In Africa, four Round Tables were organized during 1996 [e.g. Rwanda, ($617 million); Sierra Leone ($230 million); Congo ($618 million); and the Great Lakes Region ($70 million)].**

Building on this experience, UNDP would be able to support efforts of the Parties to the CCD, to promote the mobilization of resources through a **multi-source funding approach.**

2.1.6. Capacity to leverage resources for development

In addition to the cost-sharing arrangements and Round Table processes referred to earlier, UNDP-assisted interventions have in many instances stimulated follow-up investments. **For example, in 1995, 41 such UNDP interventions totalling US$132.5 million attracted approximately US$ 7.7 billion in follow-up investments, demonstrating the capacity of UNDP to leverage resources.**

UNDP's ability to use its grant resources to leverage additional resources from a variety of sources could be a valuable asset for the GM to build upon.

2.1.7 Experience in forging public-private partnerships

UNDP has been involved in forging public-private partnerships, which could be useful to the work of the GM. This experience includes, for example its efforts to establish a **Development and Finance Forum** that brings together development professionals and Chief Executive Officers (CEOs) of financial institutions to examine ways in which private investment can foster social development, a collaborative agreement with the **World Business Council for Sustainable Development** - a group of 120 international companies and a joint programme with the **Prince of Wales Business Leadership Forum**, the World Bank and the Synergos Institute to document 'Best practices' in public-private partnerships.

2.2 KNOWLEDGE OF UNDP REGARDING DESERTIFICATION & DROUGHT AND OTHER RELEVANT EXPERIENCES

2.2.1 What is UNDP's experience and knowledge regarding desertification and drought?

UNDP is knowledgeable and has hands-on experience on desertification and drought issues by virtue of its past and present work, and could use this experience to assist affected developing countries mobilize resources based on well designed and innovative programmes. Within the United Nations system, **UNSO was created specifically to support efforts of countries to deal with drought and desertification issues.** UNDP, through the work of UNSO and other in-house entities (e.g. UNCDF), has made **significant contributions to the development of the new paradigm** on dryland management. UNSO's experience enabled it **to play a leading role in promoting and supporting the idea of an international convention to combat desertification and drought** and to have a substantive role

in supporting the work of the Intergovernmental Negotiating Committee for the Convention to Combat Desertification.

2.2.2 What is UNDP's experience in working with governments in dryland management?

UNDP has an operational presence in all developing countries of the world where drought and desertification are a problem. **Through its network of 134 country offices, UNDP is in direct and daily contact with governments and their respective entities in all countries affected by drought and desertification and has good knowledge of government procedures, structures, policies and priorities.**

2.2.3 What are UNDP's experiences working with local communities, NGOs and other entities?

UNDP has an established **record of working with local governments and non-governmental organizations and other grassroots entities**, which could enable it to support the GM in meeting the challenge of mobilizing and channelling of resources to support anti-desertification activities at the local level. In addition to those of UNSO, other UNDP experiences in local level development in dryland areas and working with grassroots organizations include the following examples of work by UNDP entities.

United Nations Capital Development Fund (UNCDF): UNCDF works with local authorities to bring capital assistance to a level that larger donors cannot reach. UNCDF also works closely with CBOs and NGOs, and is focused on the following principal areas: (i) ***Strategic Infrastructure Projects*** in partnership with local governments; (ii) ***Local Development Funds*** to support decentralization programmes by setting up decentralized financing facilities that are accessed/managed by local authorities and communities; (iii) ***Eco-Development*** activities to provide incentives for local communities to undertake long-term ecological restoration of degraded lands; and (iv) ***Credit and Guarantee Activities*** to help break down barriers that keep poor people from gaining access to credit through revolving funds and micro-credit schemes, regional credit facilities and use of guarantee schemes for commercial banks and non-financial intermediaries.

Other examples of UNDP's work in this area include: the Partners in Development programme, **operating in 73 countries and providing support to community-based self-help initiatives** that include income generating activities, strengthening institutional capacity of local NGOs and CBOs to respond effectively to critical development needs, and promoting networking among NGOs and other partners; and the GEF Small Grants Programme working in 55-60 countries, mainly through NGOs.

The above experiences could help the Global Mechanism placed within UNDP to meet the challenge of promoting the mobilization and channelling of resources to the local level through NGOs, CBOs and other funding mechanisms.

2.3 UNDP: APPLYING THE PRINCIPLES OF TRANSPARENCY, NEUTRALITY AND UNIVERSALITY IN ITS OPERATIONS

UNDP is **politically neutral and its cooperation is impartial.** It seeks to conduct its work in a manner both transparent and accountable to all its stakeholders. In its role as "**honest broker**", UNDP is often solicited by governments of both developing and developed countries.

Universality: With **134 country offices, UNDP operates in over 174 developing countries and territories.** Its staff are drawn from all corners of the globe, including developing countries.

Transparency: UNDP has an Executive Board which is closely engaged, and interacts regularly with the organization (through both its four sessions annually and several informal ones). UNDP also has an **institutionalized system of yearly external audits** for both its headquarters and field operations (core and non-core activities) and also reports to **ECOSOC and the General Assembly** of the United Nations.

Neutrality: UNDP plays an important role in **policy dialogue on development cooperation and aid coordination,** facilitating both recipient and donor governments. UNDP's assistance and the use of its grant resources is agreed to in a mutual dialogue with programme countries.

If UNDP were selected to house the Global Mechanism, UNDP in supporting the work of the GM, would apply the same standards of universality, transparency and neutrality.

2.4 EXPERIENCE AND CAPACITY OF UNDP IN SUPPORTING RESEARCH AND TECHNOLOGY TRANSFER

An important task of the Global Mechanism is to facilitate the financing of transfer of technology. Success in meeting the objectives of the CCD will also require development of appropriate technologies to solve land management problems, enhance food security and sustainable livelihoods. **UNDP has a multi-dimensional involvement in technology transfer and supporting research as illustrated below. This experience covers a variety of activities, and would enable UNDP to facilitate the Global Mechanism functions of technology transfer and related financing activities, as well as identifying technological options that could contribute to sustainable development in the drylands.**

2.4.1 Facilitating technology transfer

As an outgrowth of the Rio process, UNDP undertook a number of initiatives in this area, including establishing the Global Technology Group, for the purpose of helping to develop local products, assisting local private sector entrepreneurs and promoting south-north, south-south and north-south technology transfer. Through these efforts, a number of **expertise networks on technology transfer** were developed such as: (i) **Informed Technology Transfer and Licensing:** available to perform advisory or mediating tasks on a voluntary basis; (ii) **Dedicated Business Networks:** to facilitate access and create linkages for developing country enterprises; (iii) **Global Engineering and Native Research and Development:** an academic network of teachers, professors, engineers, through which it is able to source engineering, scientific and other specialized tasks; and (iv) **Financial:** including expertise in private sector funding mechanisms to support Small and Medium scale Enterprises (SMEs) in their enterprise development activities.

The Global Mechanism could build upon these UNDP experiences to fulfil its mandate of facilitating technology transfer.

2.4.2 Supporting cutting-edge research in food security and agriculture

UNDP supports cutting-edge research for agriculture and natural resources management at national level through its country offices, and at global level as co-sponsor of the Consultative Group on International Agricultural Research (CGIAR).

UNDP has been a **long-term supporter of the work of the CGIAR.** UNDP's special status within CGIAR arises from the fact that it is not only a member of the group but is also one of its founders and, along with FAO, UNEP and the World Bank, is one of its co-sponsors. UNDP has provided over US$240 million to the CG-system. For example, UNDP has provided support to **ICRISAT** (India), **IITA** (Nigeria), **CIMMYT** (Mexico), **ICRAF** (Kenya), **CIAT** (Columbia) and **ICARDA** (Syria). Since 1996 UNDP is host to the CGIAR **Impact Assessment and Evaluation Group (IAEG),** a new body entrusted with monitoring, evaluating and communicating the outputs of the CGIAR programmes and their impacts on food security for the poor.

2.5 EXPERIENCE AND CAPACITY OF UNDP IN POVERTY ERADICATION

Poverty eradication is currently the number one goal within UNDP's overall assistance and central mission. Thirty-nine percent of UNDP core resources go directly to address poverty eradication and livelihoods for the poor. **Nearly ninety percent of UNDP's core resources go to low income countries where the vast majority of the poor live, with eighty-five percent going to countries with annual per capita GNP of $750 or less.**

Through the work of the country offices and trust funds such as UNCDF, UNDP is supporting numerous field projects that address poverty and natural resource management problems in developing countries affected by desertification and drought. Additional examples of UNDP's anti-poverty work include the following below.

2.5.1 Helping governments formulate and strengthen national anti-poverty plans and strategies

As a response to the World Summit on Social Development (WSSD), UNDP launched the **Poverty Strategies Initiative (PSI)** focusing on: (i) advocacy and public awareness; (ii) poverty measurement and mapping; (iii) setting national goals and targets for poverty elimination; (iv) review of national policies and budgets; and (v) policy and institutional reform and coordination. **Since its launching in March 1996, some 70 countries have requested UNDP assistance to develop and implement policies for poverty eradication.** Important work is also being carried out by UNDP on promoting sustainable livelihoods and on nurturing the natural resource base on which the poor depend for their survival.

2.5.2 Providing access to credit and productive assets to the poor through micro-finance

Micro-finance is now recognized as a key element of poverty eradication policies, and an important way for the poor to gain access to productive assets. UNDP initiatives in microfinance include the following:

- The **MicroStart Programme** a pilot activity covering 25 countries initially, with a goal of building capacity of micro-finance institutions so as to facilitate their efforts to reach as many of the poor as possible. At the country level, a **MicroStart** project will provide micro-capital grants (up to $1 Million of UNDP funds per country) to 5-10 local organizations and a technical services component (US$500,000 per country).

- **UNCDF** with over 20 years experience in microfinance and microfinance projects in over 40 countries - 75 percent of which are in Africa. UNCDF has committed over US$70 million in micro-finance. Recently, UNDP, **UNCDF and the West African Development Bank (WADB) signed an agreement to establish a regional micro-finance window in WADB to assist micro-finance systems throughout West Africa.**

- **UNIFEM** facilitated the formation of the **International Coalition on Credit**, bringing together 32 of the world's leading microcredit and business NGOs, with more than 200 affiliate organizations.

UNDP helped organize and played a pivotal role at the **MicroCredit Summit** held 2-4 February 1997, in Washington, DC. The summit brought together over 2,500 participants and launched a global effort to reach 100 million of the world's poorest families, especially women, with credit for self-employment and other financial and business services by the year 2005.

2.5.3 International Advocacy on Poverty

UNDP has undertaken advocacy to focus attention to problems of poverty world wide, **raise public awareness and mobilize governments, peoples and their organizations to act jointly to combat the scourge of poverty**. UNDP is also a founding member of the **Consultative Group to Assist the Poor (CGAP)** aimed at increasing access to financial resources for the poor. Other members of CGAP include the World Bank, European Union, IFAD, bilateral donors (Canada, France, Netherlands, USA).

UNDP's anti-poverty work is both comprehensive and substantive. It involves a variety of activities; from **advocacy and upstream work on policies, strategies, legal and institutional measures, to downstream work focused on facilitating access to credit and productive assets for the poor and other interventions.** This experience would be important to the work of the Global Mechanism.

III. RELATIONSHIP WITH THE CONFERENCE OF THE PARTIES

3.1 ORGANIZATIONAL ARRANGEMENTS FOR THE GLOBAL MECHANISM IN UNDP

3.1.1 Status of the Global Mechanism within UNDP

The Global Mechanism within UNDP would have a **clearly identifiable status**, to enable it to fulfil its mandate effectively and be accountable to the COP, in accordance with Article 21 (para. 4 and 5) of the CCD. The Global Mechanism would be sufficiently linked to other in-house units to allow it to fully draw upon them to perform its functions.

3.1.2 Internal organizational arrangements

UNDP will make the best arrangement possible to ensure that the Global Mechanism is strongly buttressed, supported particularly by **UNSO**, but also drawing support from the **UNDP/GEF Unit** and the **Division for Resource Mobilization.** In setting up the Global Mechanism, UNDP would be guided by the need for creativity and flexibility, in order to provide optimum conditions for the GM's work in promoting resource mobilization.

Other relevant in-house units to support the work of the Global Mechanism would include the following:

- Trust funds and other special programmes (**UNCDF**, **UNIFEM**, **Capacity 21**, unit for **Technical Cooperation among Developing Countries**), to help promote the work of the GM;

- the **Regional Bureau and country offices** to support in-country resource mobilization efforts through Round Tables and other processes, as well as partnership building.

As regards UNSO, it is expected that the latter would continue to spearhead UNDP's support to the action programme processes at the country and sub-regional levels in all affected regions, and that the GM would draw on its longstanding experience in a variety of ways, as may be appropriate, to support its work.

3.2 MODALITIES FOR ACCOUNTABILITY AND REPORTING TO THE COP

UNDP would apply modalities of accountability for the GM, involving a number of dimensions:

(i) **Accountability of the GM to the COP:** the GM will base its activities on overall strategic guidance from the COP and be accountable to it with respect to the discharge of its mandate.

(ii) **Responsibility of UNDP vis-a-vis the COP:** UNDP would fulfil its obligations/commitments under any agreement reached with the COP with respect to housing the GM. It shall also assume responsibility, as appropriate, for arrangements to facilitate financial and administrative management and reporting on resources (financial and human) that may be made available for the work of the Global Mechanism.

(iii) **Role of the UNDP Executive Board:** the board shall be kept fully informed of all matters concerning UNDP's responsibilities as a host for the GM.

Reporting arrangements for the Global Mechanism would be based on relevant provisions of the CCD (Article 21, para 5d). While maintaining, on the one hand, the principle of distinct accountability of the GM entity, and on the other, of UNDP (as a host institution), for the sake of simplicity, it would be proposed that the GM's report to the COP also include an account of how UNDP is fulfilling its obligations as host.

3.3 PROCEDURES FOR AGREEMENTS WITH THE CONFERENCE OF THE PARTIES

If designated by the COP to house the GM, the UNDP Administrator would take the following steps to reach agreement with the COP on modalities for housing the Global Mechanism:

1. Inform the Executive Board of the outcome of the decision of the Conference of the Parties regarding the hosting arrangements for the Global Mechanism . . . . . **December 1997**

2. Initiate preparation of a detailed proposal concerning arrangements between UNDP and the COP as stipulated in the CCD . . . . . **November-December 1997**

3. Identify and develop collaborative arrangements with a small **"consortium" of most concerned/relevant organizations**, to support the Global Mechanism . . . . . **October-December 1997**

4. Submit a proposal for a **Memorandum of Understanding (MOU)** between UNDP and the COP on the arrangements and modalities for the functioning of the GM, and seek the approval of the UNDP Executive Board . . . . . **January 1998**

In view of the time that has elapsed since adoption of the CCD, UNDP feels that there is an urgent need to expedite arrangements towards operationalizing the GM. UNDP would strongly recommend that the first Conference of the Parties designate appropriate contacts to negotiate on its behalf to finalize arrangements for the GM, with the organization selected to house it, and render the GM functional as quickly as possible.

With more than forty years of service to the international community, UNDP has many precedents to draw upon and the flexibility to tailor any agreement to meet the specific needs of the COP on the hosting arrangements for the GM. In this sense, UNDP for its part, would do every thing possible to expedite agreement between it and the COP, within the broader rules and regulations of the organization.

IV. ADMINISTRATIVE AND OTHER SUPPORT

4.1 PROJECTED COSTS OF THE GLOBAL MECHANISM

It is assumed that the Global Mechanism would have a **lean structure**, with an initial staff size of 5-6 professional staff (and some support staff), as informally mentioned by several INCD delegations.

Start-up activities and projected costs

Given the innovative nature of the Global Mechanism, UNDP is of the opinion that projected operational costs should be estimated initially for the first year of operations. On the basis of the experience acquired during this first year, the annual budget of the GM, on a long term basis, could be elaborated on a more solid basis. The first year budget for the GM has been estimated by UNDP at approximately US$ 2.8 million (see Annex 2).

Funding the start-up activities of the Global Mechanism

To meet the projected start-up costs of the GM in its first year, UNDP proposes the following measures:

(i) A one-time contribution of US$1 million from UNDP's global programme resources;

(ii) Specific voluntary contributions from the Parties who may wish to support the start-up work of the GM;

(iii) The parties may wish to agree at the first COP to set aside a funding allocation for start-up activities of the GM.

This approach is being proposed by UNDP since there could be a significant **time-lag between the decision of the first COP on the question of selecting a host institution and actual start-up of Global Mechanism activities**, due to:

- time needed to conclude a formal agreement on the modalities/arrangements for the functioning of the GM, with the COP;
- time needed for work plan development and elaborating a budget;
- delay before actual contributions begin to flow to support the work of the GM.

Long-term funding of the Global Mechanism

UNDP is of the opinion that, in the long term, **responsibility for the budget of the Global Mechanism should be assumed by the COP on the grounds that a GM fully funded by its host organization would not possess the full degree of autonomy required to conduct its business. In fact, it may result in operational and substantive "de-linkage" of the GM from the institutional structure of the CCD.**

Depending upon the formula agreed to by the COP for funding the work of the GM, complementary financing arrangements could be made, including mobilizing resources through specific voluntary contributions and/or cost recovery arrangements.

UNDP would further make a number of **in-kind contributions** to support the work of the Global Mechanism in the long-term, including the following:

- contributing a portion of the time of a number of its **professional staff;**
- **technical support** for the design of innovative funding mechanisms such as National Desertification Funds;
- services of the **UNDP country offices** to support partnership building and in-country resource mobilization.

4.2 ADMINISTRATIVE AND OPERATIONAL INFRASTRUCTURE TO SUPPORT GLOBAL MECHANISM ACTIVITIES

Under UNDP, the Global Mechanism would benefit from any agreements it has with countries or service providers (e.g. data networks, licenses, contracts, etc). The possibility of riding on existing UNDP agreements would ensure **economies of scale** for the operations of the Global Mechanism.

Some of the administrative and operational infrastructure that could be further provided by UNDP to support Global Mechanism activities include the following below.

Location: UNDP would propose to locate the GM at its **headquarters in New York.** This would have the advantage of proximity with several substantive units of UNDP, as well as with the GEF secretariat and Permanent missions to United Nations.

However, several other location possibilities/options could be explored, such as:

- **UNDP Liaison Office in Geneva;**
- **UNDP Liaison Office in Brussels;**
- **UNDP Liaison Office in Copenhagen;**
- **UNDP/UNV offices in Bonn.**

Regardless of the location finally agreed to with the COP, UNDP would be able to draw upon the services of, and make use of the advantages offered by the entire UNDP system, including the above, to support the work of the Global Mechanism.

Office space: could be provided at any of the locations identified above;

Country office framework/other facilities which could support the work of the GM: including the following:

- the **network of 134 country offices** helping governments implement Sustainable Human Development (SHD) at the national level and through sub-regional and regional programmes;
- **environmental focal points** in the country offices, now strengthened by the addition of 41 specially trained **sustainable development advisers;**
- **United Nations Volunteers,** which has started programming with UNSO, assigning national volunteers to strengthen national coordinating bodies for CCD implementation.
- 17 **sub-regional resource centers** UNDP is establishing to provide referral services and documenting of 'best practices' to support its country offices;
- the **Sustainable Development Networking Programme** (SDNP) which is establishing and/or strengthening Internet connections in a number of developing countries;

Communication and information management:

- UNDP will offer economies of scale regarding **electronic networking** with all its country offices, and through Internet with other partner organizations. Some 74 UNDP country offices have **Internet connectivity,** with the number expected to reach 90 by end 1997. Of these countries, 34 have created **Web pages.** Plans are also advanced for **Intranet connectivity** which will allow information sharing between country offices on real-time basis.

- the **Development Cooperation Analysis System** (DCAS-a multi-lingual, computerized data base on funding information. UNDP has a cooperative agreement with the Statistical Reporting Division of the Development Cooperation Directorate of the OECD, which the GM could benefit from in its work on information collection on funding sources.

UNDP has experience setting up systems in support of GEF and the Montreal Protocol, which could benefit the Global Mechanism.

Personnel and financial support: is envisaged as specified above.

Administrative matters: the administrative support and financial management infrastructure of the UNDP system, at both HQ and at the country level, will be used to facilitate the work of the Global Mechanism (travel, payments, etc).

4.3 MODALITIES FOR STAFFING THE GLOBAL MECHANISM

As indicated above, UNDP foresees **a small core staff for the Global Mechanism,** as mentioned by several INCD delegations, possibly involving the following: (i) Head (Manager) of GM; (ii) two Resource mobilization officers (a private sector/investment expert and a specialist in Multi-bi funding arrangements); (iii) one Management Information Systems specialist; (iv) one advocacy/public relations expert. Support staff would also be needed. These core staff positions could be filled by:

- direct recruitment;
- secondment from other UN agencies and multilateral organizations;
- secondment from bilateral organizations.

The range of skills required for Global Mechanism functions would be diverse and evolve over time. UNDP proposes to put in place creative and flexible arrangements to allow the Global Mechanism to source these skills through short term contractual arrangements (e.g ALDs-Assignments of Limited Duration) and consultancies to avoid building a large GM entity.

UNDP would also make arrangements with the organizations most concerned with the work of the GM (e.g Regional development banks, Multilateral financial institutions, etc) to **designate focal points within their organizations**, in order to build closer working relationships with them and facilitate partnership building for resource mobilization, to support CCD implementation.

V. CAPACITY OF UNDP TO ORGANIZE GM AND MODALITIES BY WHICH ITS FUNCTIONS WOULD BE SUPPORTED

5.1. *Mobilization and channelling Resources*

Under UNDP, the GM would place the needed emphasis on innovative ways to promote the mobilization of resources to support national and sub-regional action programme processes. This would include **the development of entirely new financing mechanisms and instruments, or the adaptation and application of well-established financial vehicles** for the purpose of supporting the CCD. UNDP would develop and launch a series of measures to promote resource mobilization, including:

a) Targeting initially, the following sources and mechanisms:

- **Official Development Assistance:** For the foreseeable future, ODA would remain the most important source of funding for the CCD, despite its decline over the past decade and the limited prospect for a dramatic increase in the short term. Some of the new sources of funding from ODA could include newly industrialized countries;

- **Private sector:** Currently, private investment flows to developing countries are five times greater than ODA. The Global Mechanism, should identify and help implement measures to **tap and promote the flow of private sector resources to affected developing countries, as well as from within affected developing countries;**

- **The Global Environment Facility:** UNDP would use its experience as a GEF implementing agency to mobilize resources for dryland activities in accordance with the provisions of the CCD;

- **Domestic sources:** This domain has not been sufficiently explored to support development activities. UNDP would explore a number of measures to assist the GM's facilitative support to domestic resource mobilization efforts;

- **Major International NGOs:** Substantial ODA resources are now channelled through large international NGOs (e.g. CARE International, OXFARM, etc) working to support short-term emergency assistance and long-term development. UNDP would assist the GM develop partnerships with these NGOs to promote resource mobilization.

- **Regional Development Banks** and other **Multilateral Financial Institutions**, are important sources of funding with which UNDP would devise concrete arrangements for supporting the work of the GM, and facilitating access to their resources by affected developing countries, for the purpose of implementing the CCD.

- **Relevant UN agencies** with programmable resources that can support implementation of the CCD.

It should be stressed that the GM in its work should emphasize its dual role of seeking out and developing new opportunities for resources, as well as that of a "broker", making arrangements that facilitate combining public (i.e ODA, National budgets) and private sources, domestic and external resources, in ways that would lead to real and substantial availability of resources to affected developing countries.

b) UNDP would help the GM develop in consultation with concerned parties, approaches to facilitate the **optimization of the use of existing resources.** In this sense, UNDP would initiate proposals and preparation, together with key partners and affected countries, of a Resources Optimization Framework, to support in-country CCD implementation.

c) **National Desertification funds**, provide an important opportunity for mobilizing and channelling resources to the local level. In view of the efforts already made by many affected countries to set up these funds, the GM would need to take measures to assist them in their resource mobilization efforts for fund capitalization.

In addition to the indicative sets of actions outlined above, UNDP would also build upon its experience of mobilizing and channelling grant resources to all affected developing countries, to work with affected countries to:

- give **priority to dryland development** (in those countries severely affected by desertification) in the **programming of UNDP resources;**

- **promote the use of UNDP's substantial grant resources to leverage additional resources**, from bilateral, multilateral, private and public sources using well established mechanisms of co-financing, parallel financing, trust fund and other mechanisms.

In supporting the GM's work on promoting resource mobilization, UNDP would not only seek to identify funding sources, but also support the development of modalities/arrangements/mechanisms that would facilitate rapid access by affected countries to these resources.

5.2. Collecting and disseminating information

In supporting the GM function of information collection and dissemination on funding sources and patterns (ODA and private sector; external as well as domestic), UNDP would seek to buttress the GM in a proactive manner. UNDP could buttress the GM so that it could assist affected governments and NGOs to exploit the information provided to them on funding sources, to mobilize the resources. This could be assured through, for example, training seminars and workshops on ways to access funding from the sources identified and technical support for preparing funding requests. UNDP would also buttress the GM to develop **innovative ways to disseminate the information collected** through effective targeting, packaging the information in forms that are usable, accessible and exploitable (e.g. CD-ROM, compendiums, newsletters, etc). Under UNDP, the GM's information management work would be a dynamic process where the needs of the recipients are the driving force. But more importantly, **UNDP would facilitate the GM to use the information collected to support its activities as an intermediary/broker, facilitating contacts between NGOs and governments with sources of funding for resource mobilization purposes.**

Through the work of UNSO, UNDP possesses detailed knowledge of national and sub-regional action programme processes in all regions of the world. UNDP is also knowledgeable on resource flows to developing countries, possess an information collection and analysis infrastructure that can be adapted to carry out this function. It also has the ability to access information on sources of funding from private sector and other entities. **These strengths would allow the GM to undertake the job of assessing the needs of affected countries and matching these needs with existing sources of funding.**

To facilitate the carrying out of the information management function of the GM, UNDP will establish linkages and make arrangements with a variety of partners, including RIOD to identify ways in which the large community of national NGOs involved in desertification control activities can be helped in identifying funding sources to support their work.

The country presence of UNDP, its ready access to information both at country and international levels and its knowledge of aid flows and on the various funding sources, would provide a solid foundation for the work of the GM in this area.

5.3. *Analyzing and advising, on request, to facilitate resource mobilization*

UNDP could facilitate the Global Mechanism's work of providing a range of advisory and analytical services to support resource mobilization efforts, including on:

- funding sources and mechanisms to channel resources to the local, national and sub-regional levels;
- drawing upon its experiences as chair of the **Interagency Group Environment Funds (IPG)** which brings together some 20 organizations helping to support establishment of these funds;
- the **establishment, financing and management of national desertification funds**, building upon its experiences in supporting the design and establishment of NDFs in over twenty countries;
- innovative methods and incentives for mobilizing and channelling resources.

In addition, UNDP could draw upon the partnerships it has with a variety of organizations, to assist the Global Mechanism tap experiences that exist in a number of organizations/institutions to fulfil its advisory and analytical role. These would include, among others, NGOs, private sector research and academic institutions.

5.4. *Promoting actions leading to cooperation and coordination*

Through actions undertaken in relation to information collection and dissemination dealt with earlier, the Global Mechanism could make substantial contributions to improving coordination and cooperation among the parties and other entities.

UNDP with its strong country presence could facilitate **partnership building** by providing conceptual and operational guidance, and support for development of partnership arrangements that would be effective in supporting implementation, and contributing to the establishment and functioning of these mechanisms.

5.6 *Context for establishing effective relationships with other entities*

It should be stressed that given the important challenge of mobilizing resources for implementing the CCD, any organization selected to house the GM would have to work closely with a number of key partners. It was in this spirit that UNDP proposed the idea of co-hosting at the eighth INCD, held in Geneva, last year.

If selected to house the GM, UNDP would help craft a **small consortium of the most concerned organizations**, involving partners (bilateral, private sector, government, civil society/NGOs, financial institutions, academic & research institutions, UN agencies, intergovernmental bodies, etc). UNDP would enter into specific arrangements with them to both identify the ways they could support the work of the GM, as well as to work with them so that affected developing countries can access the resources of these organizations, to implement the CCD.

VI. CONCLUSION

As stated on numerous occasions, the Global Mechanism should take proactive measures to promote actions leading to the mobilization of resources if the CCD is to be effectively implemented. However, due to the diversity of funding sources and mechanisms, the magnitude of the needs to be met and the range of actions at various levels requiring support, the Global Mechanism and the organization hosting it, would be faced with a very challenging task. A number of factors are important to, and would therefore play a decisive role, in determining the effectiveness of the operations of the Global Mechanism. These include, among others:

- Strong and sustained political backing/commitment for the activities of the Global Mechanism by all the Parties to the CCD, as well as other partners/actors;

- Transparency on the part of all the Parties to ensure availability/accessibility of information, in order to facilitate the task of collecting data and analyzing the effectiveness of current assistance and directing developing countries, NGOs and other parties to existing sources of funding;

- Commitment of all stakeholders to establish effective partnership mechanisms at national and sub-regional levels, and of governments of affected developing countries to create "enabling" conditions by way of appropriate policies, institutional arrangements and legal frameworks to support actions at the local level;

- Acceptance of the principles of neutrality and universality of the Global Mechanism (i.e "honest broker" role) in its operations to promote mobilization of resources for all affected developing country parties; and

- Commitment to a new departure in programme and project design based on the application of iterative bottom-up and participatory processes by all the Parties.

These would serve to strengthen the Global Mechanism, ensure its effectiveness and facilitate the task of the organization selected to house it.

ANNEX 1: UNDP's SUPPORT TO THE IMPLEMENTATION OF THE CONVENTION TO COMBAT DESERTIFICATION DURING THE INTERIM PHASE

As mentioned earlier, desertification control and drought mitigation are important corporate concerns of UNDP. For example, **total core resources allocated by UNDP to support development activities in over 70 developing countries affected by desertification amounts to over US$ 1 billion for the period 1992-96.**

Since the adoption of the CCD in June 1994, UNDP has intensified its support to affected countries as shown below.

Activities undertaken by UNSO/UNDP during interim phase

UNDP has supported efforts to implement the CCD through both its regular core programmes and through UNSO. Since adoption of the CCD, UNDP through UNSO has provided **technical and catalytic financial support to 33 programme countries** in various preparatory activities. Countries which have contributed funding, through UNSO, during this period, include: Australia, Norway, Netherlands, Luxembourg, Denmark, Switzerland, France, Portugal, Italy, etc. Several developing countries have also contributed: Benin, Bolivia, Namibia, Zambia and Zimbabwe.

1. In **Africa**, National Action Programme (NAP) processes have been initiated in **16 countries** with support from UNSO/UNDP (i.e Benin, Botswana, Burkina Faso, Cape Verde, Chad, Ethiopia, Kenya, Mali, Malawi, Mauritania, Niger, Senegal, Swaziland, Tanzania, Uganda and Zimbabwe). To further strengthen these efforts, UNSO has developed a jointly funded programme with the United Nations Volunteers (UNV) to place nationally-recruited UNVs within National Coordinating Bodies in (15) selected African countries.

2. At the request of governments, preparatory work on **National Desertification Funds** foreseen in has been launched or is in the process of initiation in over twenty countries, with catalytic support from UNSO/UNDP, in Benin, Burkina Faso, Cape Verde, Chad, Ghana, Mali, Mauritania, Morocco, Niger, Senegal, Tunisia, Botswana, Eritrea, Ethiopia, Kenya, Swaziland, Malawi, Tanzania, Uganda and Zimbabwe.

3. **At sub-regional level**, UNSO is supporting sub-regional African organizations (CILSS, IGAD, SADC and UMA) in the development of an approach to the sub-regional action programme (SRAP) process and provided technical and financial support in the organization of sub-regional consultations in Southern and Western Africa. In the SADC region, UNSO has supported the establishment of a sub-regional system of exchange of information, as well as a monitoring and evaluation for the implementation of the CCD.

4. In **Latin America and the Caribbean**, at the national level, UNSO has provided technical support to Argentina, Mexico, Chile, Peru, Brazil, Paraguay, Bolivia, Ecuador, Guatemala, Haiti and Dominican Republic, in the context of preparatory activities for the implementation of the CCD. At sub-regional level, UNSO is providing technical and financial support for the development of a sub-regional programme for sustainable dryland development of the Gran Chaco involving Argentina, Bolivia and Paraguay. Furthermore, in collaboration with the Inter-American Development Bank, UNSO is presently supporting the preparation of a sub-regional programme in Central America, including Haiti and Dominican Republic.

5. In **Asia and CIS**, at the national level UNSO has worked closely with UNEP to assist the Government of Mongolia with the development and refinement of its National Action Programme and the design of a National Environmental/Desertification Fund. Discussions are under way with China, Kazakhstan and Pakistan to identify areas for UNSO support. At regional level, UNSO has provided assistance to the Asian NGOs' Conference on Desertification (Pakistan, January 1996) and to the Afro-Asian Forum for Implementation of the CCD (Beijing, August 1996). UNSO was actively involved in the Asian regional conference on desertification (New Delhi, August 1996).

6. At **global level**, UNSO has been involved in a number of thematic and cross-cutting initiatives useful for the implementation of the CCD. Among others, these include support in the following areas: (a) development of a methodology sheet for assessing the extent of desertification at the national level as a contribution for the work on sustainable indicators of the Commission for Sustainable Development (CSD); (b) initiation of work on the development of practical tools for the design of participatory approaches to the NAP processes; (d) formulation of a global initiative to promote farmer innovation in water management in the drylands; (e) In collaboration with the global NGO network on desertification (RIOD), UNSO is supporting an analysis of future scenarios for a strengthened NGO network for sustainable dryland development; (f) in partnership with UNEP,UNSO has embarked on an initiative on Assessment and Monitoring of Decertification within the context of CCD, and together with UNEP and the interim secretariat of the CCD on developing new advocacy thrust for the CCD and drylands.

7. **Concept development**: Based on its substantial knowledge on desertification issues, UNSO has during the interim phase, helped to develop key concepts related to the implementation of the CCD, as exemplified by the following concept documents/publications:(i) Conceptual guidelines on the national and sub-regional action programme processes. The concept of National forum, first proposed by UNSO is now being pursued by all parties as a useful start-up mechanism for partnership building, particularly in Africa; (ii) Key concept papers, brochures, guidelines and other publications on how to set up manage National Desertification Funds, including the publication: Mobilizing Resources for National Desertification Funds through Debt-for-Environment Swaps; (iii) Advocacy tools and materials for both the north and south; (iv) Information notes that provides the parties with up-to-date information on activities being undertaken at all levels in all regions; (v) Technical publications such as: Aridity Zones and Dryland Population: An Assessment of Population Levels in the World's Drylands produced in collaboration with World Resources Institute;(vi) Information Notes regularly prepared and disseminated to countries and partners to update them on CCD related activities undertaken worldwide.

ANNEX 2: INDICATIVE START-UP BUDGET FOR GLOBAL MECHANISM

START-UP ACTIVITIES	PROJECTED COST (US$)
. Targeted consultancies to develop opportunities for GM work on promoting resource mobilization and other functions	200.000
. Support for organization of resource mobilization fora at national, sub-regional and international levels (50 countries, 6 sub-regions)	500.000
. Advocacy and promotional activities to support promotion of resource mobilization	200.000
. Data base development and other activities to support information collection and dissemination on funding sources	200.000
. Catalytic actions on technology transfer (inventory of available technologies, design and negotiation of transfer programmes and activities, and promoting exchange visits)	150.000
. Support for the mobilization of seed resources to capitalize National Desertification Funds	200.000
. Activities to support NGO resource mobilization efforts	100.000
. Building/supporting partnership consortium to buttress the GM	50.000
. Programme support costs (i.e staffing, communication, office space & equipment)	1.200.000
TOTAL PROJECTED COST	**2.800.000**